BEST PRACTICE STRATEGIES TO ERADICATE BUSINESS GROWTH CHALLENGES OF FEMALE-OWNED SMALL BUSINESSES IN UGANDA

By

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Promoter: Prof Sandra Perks

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DECLARATION

I, Cathy Ikiror Mbidde, student number 212469444, hereby declare that this thesis, *Best practice strategies to eradicate business growth challenges of female-owned small businesses in Uganda* is my own work and not previously been submitted for assessment of completion of any postgraduate qualification to another or for another qualification and where work of others has been cited, due acknowledgement is made.

Cathy Ikiror Mbidde  
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DEDICATION

This thesis is dedicated to the Holy Spirit, my lovely mother Mrs. Norah Namubiru Okiror, my husband, Henry Mbidde and my children Henrietta Nampijja Mbidde, Hannah Nabaweesi Mbidde and Helga Nanyondo Mbidde for their love and understanding during long and lonely periods of my absence from home.
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ABSTRACT

Small businesses of which the majority are female-owned are the backbone of many economies across the globe. Despite the increasingly important role of female-owned small businesses to economic development and poverty alleviation, the growth of female-owned businesses in Uganda remains a major concern. The purpose of this study, therefore, was twofold – to identify business growth challenges of female small business entrepreneurs in Uganda and also to identify the strategies for overcoming these small business growth challenges to add to existing theory within the small business management field.

The study followed a qualitative research with an exploratory descriptive case study design approach. A comprehensive international and national literature on female entrepreneurship, the Ugandan business environment, small business growth challenges in Uganda, and global best practice strategies for stimulating small business growth was conducted. Primary data were collected using face-to-face and telephonic interviews with semi-structured interview guides. Twelve (three female small business entrepreneurs and nine small business support specialists) participants were selected using purposive, theoretical, and expert sampling methods.

The biographical profiles of the participants interviewed during the study were presented as case studies. Firstly, the biographical profiles of the three Ugandan small businesses (supermarket, restaurant and hairdressing salon) and the female entrepreneurs were presented. Secondly, the biographical profiles of the nine small business support institutions (two governmental, two funding, two training, one export promotion) and two business associations, as well as the profile of the small business support specialists were presented.
Based on the content analysis of the qualitative interviews with the three female small business entrepreneurs, their current business status revealed that the female entrepreneurs have growth aspirations and aligned their goals towards it, but did not have strategies in place to effect business growth. Further still, based on the empirical results of the female small business participants, eight main challenges were identified as: lack of adequate business support and business skills training; demanding and costly business registration and trading license processes; high business taxation; access to finance; inadequate road infrastructure; family-related issues and cultural taboos. These participants also suggested some solutions to overcome these challenges. The small business support specialist participants either confirmed the challenges that specifically females experience or confirmed that they are perceived and not real challenges, or that it is not female-specific but generic to all small businesses. The study further established what female small business participants regard as possible strategies to the challenges experienced, while the small business support specialist participants could indicate which strategies have already been implemented and also suggest further strategies.

It was concluded that although many of the challenges could apply to all small businesses, this study found that cultural taboos and family-related issues are a real challenge for female small business entrepreneurs. As seen in this study, these two main challenges can further influence some of the other challenges. It can influence whether qualifying for access to funding, having extra funding to pay for registration, licensing and tax, what the business is allowed to sell, and even the novelty of a female owning a business, never mind wishing to grow their businesses. Although some challenges such as discrimination against female entrepreneurs regarding access to small business support or funding is perceived, there are real infrastructure challenges such as rural road conditions, access to electricity and ICT.

Several strategies are already in place in Uganda to assist all small businesses with business growth, but not necessarily just assisting female small business entrepreneurs.
However, many of these strategies are work-in-progress and have not yet had the desired end result. This study made a contribution to knowledge by indicating that government-, skills training-, financial- and export promotion institutions, as well as business associations together with influential community members, can contribute significantly to the implementation of several strategies to promote female small business growth. In addition, the chapter on best practices of global developed – and developing countries provided insight into making well-informed practical recommendations that Uganda can implement to assist small businesses to grow and in particular females small businesses. These global best practice strategies for the growth of SMMEs as applied within the seven selected seven countries were elaborated on in detail with a clear indication of the responsible bodies in Uganda that can affect these strategies. The emphasis was on suggesting strategies that can be practically executed with relative ease in Uganda as a developing country.

This study concludes that it remains the responsibility of female small business entrepreneurs to make the effort to grow their small businesses and turn their business visions into reality. They should write a business plan, search for and approach small business support institutions for assistance and engage in an extensive networking drive to grow their customer market and to search for opportunities to grow their business such as private-public sector partnerships or expansion into the international market. Awareness is not just the responsibility of the several small business support institutions in Uganda, but female small business entrepreneurs should actively scrutinise media reports in newspapers, the radio and television to obtain information regarding business support opportunities.

**KEY WORDS:** small business growth, female entrepreneurs, family related problems, cultural taboos, small business growth challenges, small business growth strategies
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CHAPTER ONE
OVERVIEW OF THE STUDY

1.1 INTRODUCTION
Female-owned small businesses are one of the fastest growing entrepreneurial activities globally (Brush & Cooper, 2012:1), and the heart of economic development in Africa and Uganda in particular (Ernest & Young, 2010:18). Small, Medium and Micro Enterprises (SMMEs) are spread across all sectors with 49% in the service sector, 33% in commerce and trade, 10% in manufacturing and 8% in other sectors. They are the key drivers in fostering innovation, wealth creation and job creation in Uganda (Kyambadde, 2015:1). The SMME sector in Uganda is comprised of 1,100,000 businesses that account for approximately 90 per cent of the entire private sector contributing 75 per cent to gross domestic product and employing 2.5 million people, making it the largest employer (Ministry of Finance, Planning and Economic Development, 2011:3-4). The growth of the Small and Medium Enterprises (SMEs) sector in Uganda stands out as one of the key characteristics of a flourishing economy, as it plays an important role in the development of any country.

Most businesses in Uganda are largely concentrated in urban areas, mainly in the Kampala District (Male-Mukasa, 2007:16; Nshaho, 2011:37). They are predominately engaged in Information and Communication Technology (ICT) hospitality and entertainment, education, wholesaling, retailing, manufacturing, finance and insurance, health, social work, furniture, agriculture and professional services (Ministry of Finance, Planning and Economic Development, 2011:4). According to Tushabomwe-Kazooba (2006:28), more than 50 per cent of Ugandan small businesses battle to grow and fail within the first five years, and it is not unusual that most do not even survive beyond one year. Most businesses (35 per cent) are in existence between one and five years and only four per cent are in existence for 50 or more years (Kisekka, 2011:3). This demonstrates high business failure rates in Uganda. The high mortality rate can be attributed to the arduous regulatory environment and the rising cost of doing business.
due to inadequate infrastructure, unreliable electricity, rising cost of fuel and high cost of business finance (Ernest & Young, 2010:34). Kisekka (2011:3) mentions that corruption, bureaucracy and capacity constraints in the various public institutions stifle business growth. In addition, the growth of small businesses in Uganda is restricted due to problems in accessing appropriate technology, business information, markets and lack of skilled labour (Bitature, 2008:5; Kisekka, 2011:20).

The government of Uganda has established support institutions to design and implement the necessary policies and programmes that support the development of the SMME sector. These include the Ministry of Finance, Planning and Economic Development (MoFPED), in particular the Investment and Private Sector Development department; the Ministry in charge of Trade, Industry and Cooperatives; Uganda Investment Authority (UIA); Enterprise Uganda; Uganda Industrial Research Institute (UIRI) and Makerere University-Entrepreneurship Center among others (Ministry of Finance, Planning and Economic Development, 2011:9). However, Uganda does not have clear national policies for the SMME sector (Ernest & Young, 2010:26).

Furthermore, the multi-sector nature of SMMEs demands a number of policies and laws to support the various specifics of the sub-sectors. The institutions are described as weak, fragmented and poorly coordinated. This wastes resources, limits inter-institutional synergies, and stifles small business growth. Factors for business growth include leadership-, people-, strategic planning-, management skills and knowledge of the market environment. If these skills are applied correctly in the business then it might reduce the (high) probability that business ventures will fail (Chawla, Khanna & Chen, 2010:2). This study wish to bring about a more coherent conceptual understanding how to address the various issues.

As noted by Fernandes (2017), although there is a growth in female entrepreneurship, they often face challenges that are unique to them and not experienced by male
entrepreneurs. Challenges mentioned by this author include: defying social expectations, limited access to funding, operating in male-dominated fields, not owning accomplishments, lack of available advisors and mentors, balancing business and family life and fear of failure.

1.2 RATIONALE FOR THE STUDY
The Ugandan government conducted a survey in 2006/2007 to update the Business Register (BR) covering all private sector businesses employing five or more employees (Male-Mukasa, 2007). In the last ten years (2007-2017), no follow-up survey has been conducted to date. Prior to this study, no known comprehensive country-wide baseline survey on female-owned small businesses in Uganda had been done. Information on the SMME sector has, in the past, been derived from the Uganda National Household survey (UNHS) where the unit of analysis is the household rather than the small business, and particularly not on the female small business.

Statistical assessments indicate that the number of people in the world involved in entrepreneurship is about 73 million, of whom about 30 million are female (Dafna, 2008:302). In many developing countries female small business entrepreneurs are taking a leading role in helping their respective governments to establish and develop strong SMMEs that contribute significantly to poverty eradication (Singh & Belwal, 2008:121). The growth of female small businesses is recognised as a mechanism for addressing poverty in developing countries (Chirwa, 2008:358). According to Katwalo (2010:140), the image of the business and the owner’s lack of competence in networking can hinder growth. A study by Tipu and Arain (2011:553) found that entrepreneurs can be successful in spite of operating in an unfavourable environment. Reijonen and Komppula (2007:692) assert that the competence, characteristics, attitude and motives of the entrepreneurs have significant impact on growth of the business.
Females are cited as important actors in developing the small business sector in African countries (Singh & Belwal, 2008:124). They own and operate a sizeable percentage of the micro and small businesses, mostly at the informal level (Ernest & Young, 2010:45) and significantly contribute to job creation, family sustainability and poverty reduction (Quader, 2012:93; Stevenson & Finnegan, 2007:2). It was also found that the minority of female-owned businesses that have grown into SMEs, influence trade positively.

According to the Ministry of Finance, Planning and Economic Development (2011:4), 52.6 per cent females and 47.4 per cent males own and are engaged in businesses in Uganda. Of the economically active females, 88.2 per cent are self-employed or unpaid family workers, commonly at an informal level (Otafiire & Opio, 2009:2). Finding formal female-owned businesses in Uganda that have experience business growth to participate in the study was therefore difficult. However, in Uganda the untapped potential of females is sizeable (Museveni, 2010:192). Based on these statistics, it can be seen that females are the majority and a vulnerable group hence the focus of the study. This study wish to contribute to the advancement of female entrepreneurs in Uganda and to uncover why there are the perception that female entrepreneurs do not have what it take to grow their businesses.

1.3 PROBLEM STATEMENT
Studies in developing countries (South Africa, Mozambique and Nigeria) by several authors (Mbonyane & Ladzani, 2011; Fumo & Jabbour, 2011; Okpara, 2011) found several operational small business growth challenges such as not meeting legal requirements; poor financial management; over-trading; poor staff relations; and low quality products. The same authors also found that external barriers to small business growth identified include: crime and corruption, lack of access to credit and infrastructure, lack of technological skills, severe competition, constant price fluctuation, lack of clients and access to raw material, taxes, and bureaucracy. However, none of these studies focus specifically on female small business entrepreneur business growth problems.
A study by Inmyxai and Takahashi (2011) amongst 200 SMMEs in Lao found that feminist-related factors (personal, family, social and skills) did not mediate the relationship between gender and non-economic performance. The findings suggested that even under the same levels of personal-, social network, and skills factors, there were significant differences in non-economic performances between male and female businesses, whereas, in the case of the family factor, there was no significant difference. Although this study takes on a feminist perspective, it only focuses on internal factors and fails to account for external factors influencing business performance. Several other studies (Naidu & Chand, 2012; Quader, 2012; Roomi, Harrison & Beaumont-Kerridge, 2009; Zhang & Si, 2008) were conducted on female entrepreneurs or micro and small businesses in developed countries such as the United Kingdom, Fiji and Tonga and China, but not with business growth as the focus. A study by Stevenson and St-Onge (2005) assessed the environment for the growth of female businesses in Uganda and focused mainly on female associations, government representatives but not female-owned small businesses.

Extant studies (Stevenson & St-Onge, 2005; Tushabomwe-Kazooba, 2006; Stevenson et al., 2007) on female-owned or SMMEs in Uganda are primarily quantitative in nature, and not on the growth of female-owned small businesses. It was mentioned that despite significant contributions to the Ugandan economy, the female-owned small businesses face numerous challenges to survive (Ministry of Finance Planning and Economic Development, 2011:9). It thus appears that there is a need for a more in-depth enquiry. It should be noted that qualitative investigations as employed in this study, provide in-depth information that provide a basis to analyse various perspectives and linkages within specific business contexts as noted by Fumo and Jabbour (2011:854). Moreover, a qualitative inquiry may offer the opportunity to obtain more firsthand knowledge on what female small business entrepreneurs regard as small business growth challenges, whether perceived or as real challenges.
A survey by Nshaho (2011) noted that the nature of the SME sector in Uganda is widespread with numerous categories. Another study on how to improve SME’s access to the public procurement market in Uganda was conducted by the Commonwealth Secretariat (2010). As it can be seen, these studies do not focus on female-owned businesses, in spite of being such a large potential market.

From the previous highlighted studies, it can be seen that minimal research has been conducted on the female social context of small businesses. Females’ roles in a society are diverse; they are the primary caregivers, caring for the sick or orphaned family members that may contribute to poor small business growth. In addition, not much research has been conducted on small business failure in Uganda. A study by Tushabomwe-Kazooba (2006) identified the causes of small business failures in Uganda as internal factors related to incorrect pricing, negative cash flow, poor record-keeping, domestic and family problems, management problems, not having a feasible product concept, inadequate inventory control, lack of planning and conflict among partners. In addition, external factors identified were taxation, load shedding, lack of capital, poor market demand, high business rentals, delays in processing applications and politics. It was further mentioned that these factors are multidimensional and diverse. However, limited research has been conducted on how to overcome these challenges and prevent small businesses from failing. Also, not much research could be found on which strategies could assist small businesses to effectively overcome these challenges and whether strategies proposed have been successfully implemented. No comprehensive study could be found on suggestions for future strategies to grow small businesses in Uganda.

It is acknowledged that there are many initiatives aimed at supporting SMMEs in general in Uganda. However, the 2010 Baseline Survey of SMEs in Uganda found that due to inadequate legal, regulatory and institutional arrangement frameworks, SMMEs are not
benefiting from business incentives, support services and other infrastructural systems (Nshaho, 2011:37). Furthermore, there is no evidence to show a well coordinated institutional mechanism or framework for these initiatives to be implemented (Kisekka, 2011:20). The many government, private sector institutions and associations involved in the development of SMMEs have overlapping purposes and competing mandates (Ministry of Finance, Planning and Economic Development, 2011:9). This leads to ineffective utilisation of resources and limits inter-institutional synergies in the SMME sector. Although some of the barriers to growth of small businesses have been identified, no strategies were identified to overcome these barriers.

This has led to the following research problem:

*What are the strategies necessary to overcome the small business growth challenges of female-owned small businesses in Uganda?*

The problem statement pertaining to this research can thus be phrased in terms of two main thrusts. Firstly, exploring the small business growth challenges of female-owned small businesses in Uganda and secondly, the strategies that can be employed to overcome the small business growth challenges of female-owned small businesses. The study aims to assist small business support specialists in Uganda with the type of support necessary to grow female-owned small businesses and the strategies necessary to affect it. The study will also identify which small business growth challenges are perceived and which are real challenges. Furthermore, it will indicate how to create a more conducive small business environment for all small businesses, but most importantly for female small business entrepreneurs that can generate both social and economic benefits to the Ugandan economy and promote female empowerment.

To address the problem in question, the research objectives are outlined in the next section.
1.4 OBJECTIVES

The primary objective of this study is to identify the strategies for overcoming small business growth challenges of female-owned small businesses in Uganda. In order to achieve this objective, the opinions, perspectives, expectations and actual experiences of female small business entrepreneurs and small business support specialists were canvassed and presented.

To achieve the primary objective, the following secondary study research objectives have been identified:

- To empirically investigate what female small business entrepreneurs and small business support specialists regard as small business growth challenges (perceived or real) in Uganda;
- To empirically explore current and future strategies on how to overcome small business growth challenges in Uganda and most importantly those specific to female-owned small business entrepreneurs, and
- To suggest small business growth best practice strategies that can be effectively utilised to stimulate the growth of small business entrepreneurs, and most importantly female-owned small businesses in Uganda.

To achieve the primary objective, the following secondary methodological research objectives have been identified:

- To present an overview of female entrepreneurship;
- To conduct a thorough literature review on the Ugandan business environment;
- To conduct a thorough literature review of small business growth challenges in Uganda;
- To provide an overview of the global best practice small business growth strategies applied to overcome small business growth challenges in developed- innovation-, developing-efficiency- and developing-factor-driven countries;
To identify and implement an appropriate research methodology for this study in order to assist the achievement of the overall primary objective, and

To identify growth-oriented female small business entrepreneurs and small business support specialists in the Kampala Region in Uganda to participate in the study.

The research questions to address the objectives include the following:

- What are the small business growth challenges experienced by female small business entrepreneurs in Uganda?
- Which of the identified small business challenges are real and which challenges are perceived?
- Which small business growth challenges are unique to female entrepreneurs?
- How can small business growth challenges in Uganda be overcome, and most importantly those faced by female entrepreneurs?
- Which best practice small business growth strategies have been implemented in Uganda and which can still be implemented to benefit female entrepreneurs?

In the next section key concepts relevant to the study will be defined.

1.5 DEFINITION OF CONCEPTS

With the focus of the research on identifying strategies to overcome small business growth challenges of female-owned small businesses, clear definitions of the following concepts are presented.

1.5.1 Small business

According to the Ugandan SMME final draft policy a small business employs from five to forty-nine employees, and has total assets between ten million but not exceeding one hundred million Ugandan Shillings (Kyambadde, 2015:2). For the purpose of this study, a small business is viewed as female-owner managed, operating at formal premises,
registered with authorities, having grown in number of employees since inception and employing five to ten employees excluding the owner.

1.5.2 Business growth
Business growth refers to the path the business takes that will drive it to create sustainable value and provide it with the ability to make a major positive difference in the world (Senge, Smith, Kruschwitz, Laur & Schley, 2010:130). According to Reijonen and Komppula (2007:691), business growth refers to gradual growth in terms of sales turnover, number of customers, size of customers’ orders and profits. Business growth can be measured in terms of sustainability to indicate employment growth, growth in sales turnover, growth in profits, and growth in market value (Urban & Naidoo, 2012:153). For the purpose of this study, small business growth is defined as creating sustainable value through an increase in business size and employee complement since inception.

1.6 RESEARCH DESIGN AND METHODOLOGY
A research design is a plan and procedure for research that varies from broad assumptions to detailed methods (Creswell, 2009:3), and indicates the research paradigms and approaches of the study. A research paradigm is an overall conceptual framework within which a study is carried out and is regarded as the “basic belief system or worldview that guides the study” (Sobh & Perry, 2006:1194). The two paradigms are positivistic which is associated with a quantitative research and the phenomenology paradigm associated with qualitative research (Yilmaz, 2015:312).

After careful consideration the phenomenology paradigm was chosen for the following reasons. Firstly, not enough knowledge is available on small business growth challenges of specifically female-owned small businesses in Uganda, and most importantly on how to overcome these small business growth challenges. Secondly, the research questions aimed to obtain an understanding of the phenomena for the first time from the participants’ perspective. Thirdly, the study was conducted within the context of the participants’
experience of the phenomena, and not tested on existing information available. Lastly, the aim of the study was to clarify which small business growth challenges can be overcome and which practical effective best practice small business growth strategies can lead to the development of small business entrepreneurship. The aim was also to bring about innovative new ideas/theory through induction by investigating female entrepreneur’s small business challenges and how it can be overcome as not much research has been conducted on female entrepreneurs within this context.

1.6.1 Population and sample
A population is an aggregate or an entire group of people, events, or things under study (Martin & Guerin, 2006:173). The population of this study was all female small businesses entrepreneurs and small business support specialists in Uganda. The sample for the qualitative study included three female small business entrepreneurs and nine small business support specialists located in Kampala, the capital of Uganda. Purposive theoretical sampling was used to obtain information from the selected participants (female small business entrepreneurs and small business support specialists) to develop theories and concepts with regards to strategies to stimulate small business growth of female entrepreneurs. The study only focused on female-owned small businesses operating for at least three years in the retail trade or services sectors that are the most favoured business types in Uganda. The nine small business support specialists were selected based on their area of expertise in providing small businesses assistance to overcome small business growth challenges identified by the female small business entrepreneurs.

1.6.2 Data collection methods
Both primary and secondary data relevant to the study were collected. A computer search through online databases such as EBSCOHOST, Google Scholar and Emerald Insight were conducted to obtain relevant scholarly articles. A parallel search was done at a national level, through an in-depth library search for governmental or non-governmental organisations that conduct regular surveys. This was supplemented by a detailed internet
search for relevant books, articles and other appropriate literature on best practice strategies to address small business growth challenges.

Primary data were collected from twelve participants through in-depth interviews to generate rich data. Data were collected using two interview schedules containing only semi-structured questions. The interview schedule for the female small business entrepreneurs (see Annexure A) contained four sections; the biographical profile (personal and business) of the participants; the participants’ entrepreneurial backgrounds and business operations, their growth aspirations and their challenges to small business growth and strategies to overcome these challenges. As not enough information was forthcoming regarding strategies to overcome the small business growth challenges from the female small business participants, further information was obtained by interviewing participants employed in small business support institutions on the various challenges experienced. For this reason, the structure of the interview schedule for the small business support specialists (see Annexure B) was in sections targeting specific participants as follows:

- Section A was compulsory to all participants and canvassed the biographical data (personal profile and institutional profile) of the participants;
- Section B sought data relating to government interventions towards the growth of female-owned small businesses and was completed only by government officials;
- Section C explored data relating to access to funding for the growth of female-owned small businesses and was completed only by financial institutions’ support specialists;
- Section D canvassed data relating to business skills training and was completed only by training institutions’ support specialists;
- Section E sought data relating to export promotion assistance rendered to female small businesses and was completed only by the export promotion institution’s support specialist, and
• Section F canvassed data relating to cultural barriers and family-related issues that female small business entrepreneurs find challenging and was completed by the business associations’ support specialists.

Data were collected using both face-to-face and telephonic follow-up calls to explore issues mentioned by some participants with the other participants.

1.6.3 Data analysis

The process of data analysis involves making sense out of text and image data (Creswell, 2009:183). After collecting all the data and supporting documents, the researcher retyped the data using the exact words by participants, and used the information as an audit trail. Each transcript was assigned a letter of the alphabet to ensure that the participants could not be identified, and all female small business owners were subsequently referred to using the assigned letter e.g. Ms. A from Business A and small business support specialist as Ms. G1 from institution G1.

Content analysis was utilised in this study as it offered the researcher the opportunity to explore implicit assumptions (latent content) alongside explicit statements (manifest content) in a text (Spens & Kovács, 2006:378). At first, all notes and transcripts were read to gain an overview of the body and context of the gathered data. This made it possible for the researcher to identify words and phrases that were common and repeated from female small business entrepreneurs and small business support specialists and to allocate codes. Open, axial and selective coding procedures were utilised. A detailed explanation of the coding process is provided in the next chapter. The content analysis identified eight main themes regarding small business growth challenges namely, small business support, business skills development training, legal business operation requirements, business taxation, access to finance, infrastructure, family responsibilities and cultural taboos that were discussed. The strategies to overcome the challenges were discussed within the eight main themes of the small business growth challenges.
The constant comparison method or comparative analysis represents comparisons within and between incidents (Manuj & Pohlen, 2012:794). Therefore, new and previous data were used to identify similarities, differences, trends, patterns and to make modifications to the emerging theory. As new issues and information arose from the participants, the researcher went back to the other participants to confirm whether they also experienced the same challenges (constant comparative analysis). When comparing the results of the content analysis it also became clear that small business growth challenges can be classified as female-specific or generic. Further still, a comparison of the results of the female entrepreneurs and those of the small business support specialists revealed that some challenges are perceived and some are real challenges experienced by the female small business participants.

The participants provided several strategies on how they think they can overcome the challenges. The discussion of these results was supplemented by the best practice small business growth strategies applied in developing and developed countries contained in Chapter Six. Only those that were possible to implement practically in Uganda were suggested.

1.7 TRUSTWORTHINESS OF THE STUDY

Trustworthiness refers to the confidence one can have in a study and its results determined by those evaluating it (Petty, Thomson & Stew, 2012:381). It is important to pay specific attention to ensuring trustworthiness of the study given the nature of qualitative research and the role of the researcher (Nastasi & Schensil, 2005:184). The four criteria for judging trustworthiness used in this qualitative study are credibility, transferability, dependability and conformity and are elaborated on in detail in Chapter Two.

To ensure credibility, data source triangulation involved the collection of data through interviews from two different types of participants, including female small business
entrepreneurs and small business support specialists to gain multiple perspectives and validation of data. Further still, interview data were compared with the data from internal documents and the small business support institution’s official website. For transferability, data collected was contextually analysed according to business type to be able to identify the small business growth challenges as perceived by the three female entrepreneurs. In addition, the strategies the three small business entrepreneurs regarded as necessary to overcome the small business growth challenges, as well as those suggested by the small business support specialists in the various institutions interviewed, were also identified. An in-depth discussion followed on how the mutual (generic) and unique (female-specific) small business challenges could be overcome whilst taking into consideration global best practices for small business growth as was discussed in Chapter Six.

To ensure dependability the researcher’s transcripts were consistently checked by the study promoter to assess whether the correct participants were interviewed and the researcher’s interpretation of the codes corresponded within the context of what was said. For confirmity a cumulative audit trail was built from the interviews and observations. This was created by updating the records after analysis of each set of the twelve transcripts. The first analysis involved three transcripts (female small business entrepreneurs), and nine transcripts (small business support specialists) in the second analysis.

1.8 ETHICAL CONSIDERATIONS
The researcher obtained ethical clearance from Nelson Mandela Metropolitan University’s ethics committee (see Annexure C). A conscious effort was made to ensure that ethical standards were adhered to. Considerations included:

- Obtaining consent from the participants prior to commencing the interviews (see Annexure D);
- Ensuring transparency and truthfulness with all the participants throughout the study to gain their trust;
• Ensuring all information sourced during the research is kept confidential with no opinion bias existing, and
• Reporting all results anonymously referring to participants using letters and numbers.

1.9 STRUCTURE OF THE STUDY

The chapters in the study have the following framework:

• Chapter One provides an overview of the study in terms of introduction, the problem statement, the research objectives, research questions and methodology;
• Chapter Two covers the research methodology used in the study, which includes the research paradigm, research design approaches, population and sample, data collections methods, data analysis and trustworthiness and ethical considerations;
• Chapter Three comprises a literature study on female entrepreneurship highlighting the evolvement of female entrepreneurship, followed by background on female entrepreneurship in Uganda, female entrepreneurial characteristics, motivation factors towards female entrepreneurship, industry gender biases that exist, and type of networks used by female entrepreneurs;
• Chapter Four explores literature on the Ugandan business environment examining the SMME business environment in Uganda and the background to the Ugandan business environment in terms of the political/legal-, economic-, socio demographic-, technological-, and ecological environment;
• Chapter Five investigates literature on small business growth challenges in Uganda focusing on entrepreneurial orientation challenges, business environment constraints, and lack of access to business networks;
• Chapter Six examines literature on global best practices for stimulating small business growth in developed and developing countries;
• Chapter Seven provides a case summary of the biographical and business profiles of the three female small business entrepreneurs interviewed. In addition, the biographical profiles of the small business support specialists and their place of employment were summarised as case studies;
• Chapter Eight presents the empirical findings of the qualitative interviews conducted with the three female small business entrepreneurs and nine small business support specialists on the eight identified small business growth challenges, and the strategies utilised and suggested to be implemented, to overcome these challenges, and
• Chapter Nine summarises the study, concludes the findings and offers recommendations on the application of future small business growth best practice strategies to all small business entrepreneurs and most importantly those that can assist female small business entrepreneurs in Uganda. The contributions of the study are provided, as well as some limitations and areas for future research.

In the next chapter the research methodology will be discussed in more detail.
CHAPTER TWO
RESEARCH DESIGN AND METHODOLOGY

2.1 INTRODUCTION
In Chapter One, an overview of the study was presented. The introduction is given first, followed by the rationale for the study, problem statement and research objectives. Then the concept definitions were provided. A brief overview of the research design and methodology, trustworthiness of the study and ethical considerations that have to be observed during the study, followed.

Over the years, numerous research designs have been conceptualised and selecting from among these designs is a challenging task (Leech & Onwuegbuzie, 2009:272). An assessment of the research design is vital in any empirical study, and thus also an important consideration for entrepreneurship related research (Crook, Shook, Morris & Madden, 2010:192).

The purpose of this chapter is to discuss the research design process and to explain the methodologies used in this study. This chapter starts with a discussion on the research design by comparing the positivistic and phenomenology paradigms and explains why the phenomenological paradigm was chosen for this study. The research design approaches within the paradigms were elaborated on and it was justified why an exploratory descriptive case study research design approach was adopted. In the following sub-section of this chapter a discussion of the research methodology was elucidated on. The research methodology is presented in four main sub-sections, namely population and sample; data collection methods; data analysis and trustworthiness. This chapter also presents the ethical considerations met during the study.
2.2 RESEARCH DESIGN

A research design is a plan and procedure for research that varies from broad assumptions to detailed methods (Creswell, 2009:3). The research design includes the research paradigms and approaches of the study. In the next section, the research paradigms will be elaborated on, and it will be indicated which research paradigm was followed in this study.

2.2.1 Research paradigms

A research paradigm is an overall conceptual framework within which a study is carried out and is regarded as the “basic belief system or worldview that guides the study” (Sobh & Perry, 2006:1194). Also, a research paradigm influences the practice of research and needs to be identified (Creswell, 2009:5). As outlined in Table 2.1, the two research paradigms (positivistic and phenomenology) differ from each other.

Table 2.1: Different features of the main research paradigms

<table>
<thead>
<tr>
<th>Features</th>
<th>Positivistic paradigm</th>
<th>Phenomenology paradigm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic beliefs</td>
<td>• The world is external and objective</td>
<td>• The world is socially constructed and subjective</td>
</tr>
<tr>
<td></td>
<td>• Observer is independent</td>
<td>• Observer is part of what is observed</td>
</tr>
<tr>
<td></td>
<td>• Science is value-free</td>
<td>• Science is driven by human interests</td>
</tr>
<tr>
<td>Research focus</td>
<td>• Focus on facts</td>
<td>• Focus on meanings</td>
</tr>
<tr>
<td></td>
<td>• Look for causality and fundamental laws</td>
<td>• Try to understand what is happening</td>
</tr>
<tr>
<td></td>
<td>• Reduce phenomena to simplest events</td>
<td>• Look at the totality of each situation</td>
</tr>
<tr>
<td></td>
<td>• Formulate hypotheses and then test it</td>
<td>• Develop ideas through data induction</td>
</tr>
<tr>
<td>Benefits</td>
<td>• Operationalising concepts leads to being able to measure results</td>
<td>• Multiple methods used to establish different views of phenomena</td>
</tr>
<tr>
<td></td>
<td>• Large samples</td>
<td>• Small samples investigated in-depth or over time</td>
</tr>
</tbody>
</table>

Adapted from: Yilmaz (2015:312)

As can be seen in Table 2.1, there are many differences between the two research paradigms. The positivistic paradigm believes that the world is external and objective where research focuses on acts and one of the benefits is operationalising concepts. On the other hand, the phenomenological paradigm believes that the world is socially constructed and subjective where research focuses on meanings and the benefit is that
multiple methods are used to establish different views of the phenomena. The positivistic paradigm is associated with a quantitative research (Feilzer, 2010:6) and the phenomenology paradigm associated with qualitative research (Hashemnezhad, 2015:57).

Quantitative research tests a given theory by utilising existing theories and definitions to address research questions (Sun, 2009:4). In quantitative research, a great deal of emphasis is placed on the operationalisation of concepts (Sinkovics & Penz, 2010:705) where numbers are often used in statistical methods to test relationships between variables (Martin & Guerin, 2006:173). These authors further argue that, in this scenario, research focuses on measuring relationships in basic ways to verify if the relationships occurred with greater reliability than if by chance.

The qualitative research approach is a means of exploring and understanding the meaning individuals (female small business entrepreneurs and small business support specialists) attribute to a social problem (Creswell, 2009:4). The qualitative research critically examines the normative prescription and rhetoric (Lillis, 2008:241), that is encapsulated in the research. The qualitative paradigm argues that the world is “constructed” by people and that these constructions should be the driving forces investigated in social science research (Sobh & Perry, 2006:1198). These constructions emphasise the subjective interrelationship between the researcher and participant (Mills, Bonner & Francis, 2006:2). The following are numerous unique characteristics that are inherent in the design of qualitative research (Creswell, 2009:175):

- The study occurs in natural settings, where human behaviour and events occur;
- The researcher is the primary instrument in data collection;
- The data that emerge from a qualitative study are descriptive;
- The focus is on participants’ perceptions and experiences, and the way they make sense of their lives and therefore, to understand not one, but multiple realities;
The research focus is on the process that is occurring as well as the products or outcome, in other words interested in understanding how things occur;

Idiographic interpretation is utilised whereby attention is paid to particulars and data are interpreted based on case particulars rather than generalisations;

The research has an emergent design in its negotiated outcomes where meanings and interpretations are negotiated with human data sources because it is their realities that the researcher attempts to reconstruct, and

Objectivity and truthfulness are regarded critical, as the researcher seeks believability, based on coherence, insight and instrument utility and trustworthiness through a verification process.

Creswell (2009:8) indicated that meanings are constructed by human beings as they engage with the world they are interpreting. Thus, qualitative research seeks to understand the context or setting of the participants through visiting this context and gathering information personally. An interpretation of the findings is shaped by the researcher’s own experiences and background (Sun, 2009:12). The process of qualitative research is largely inductive with the inquirer generating meaning from the data collected in the field (Hashemnezhad, 2015:59).

2.2.1.1 Chosen research paradigm

After careful consideration the phenomenology paradigm (qualitative research approach) was chosen due to the following reasons. Firstly, not enough knowledge is available on the small business growth challenges of specifically female entrepreneurs in Uganda, and most importantly on how to overcome these small business growth challenges. Secondly, the research questions aimed to understand the phenomena for the first time from the participants’ perspective. Thirdly, the study was conducted within the context of the participants’ experience of the phenomena and not tested on existing information available. Lastly, the aim of the study was to explore and understand the meaning participants (female business entrepreneurs and small business support specialists)
ascribe to small business growth challenges and how to overcome them by developing ideas/theory through induction.

In the next section, the research design approaches will be discussed.

2.2.2 Research approaches
A research design approach illustrates the process of organising and writing out ideas (Creswell, 2009:97). Within the research paradigms, various research design approaches exist which are elaborated on in the next sub sections.

2.2.2.1 Exploratory design approach
The exploratory research approach is undertaken with the objective to explore an area where little is known or to investigate the possibilities of undertaking a particular research study (Kumar, 2011:10). It enables the studying of a new topic or issue to learn about it (Neuman, 2007:16). In addition, the goals of an exploratory design approach are (Creswell, 2014:25):

- Familiarity with basic details, settings and concerns;
- Well-grounded picture of the situation being develop;
- Generation of new ideas and assumption, development of tentative theories;
- Determining whether a study is feasible in future;
- Refining issues for more systematic investigation and formulation of new research questions, and
- Direction for future research and techniques developed.

This approach is usually utilised where not much has been written about the topic or the population studied, and the researcher seeks to listen to participants and build an understanding based on what is heard (Creswell, 2014:25).
2.2.2.2 Descriptive design approach
A descriptive design approach describes systematically the characteristics of the variable of interest and specifies details of a situation, problem or phenomenon, and provides information (Neuman, 2007:16; Kumar, 2011:10). The thorough description of the study can provide specific context where the theory is applicable and useful under specific situations (Sun, 2009:21). The descriptive research approach aims at capturing the essence of participants’ experience through structuring phenomena. Furthermore, participants are considered the experts, and the researcher is an instrument who describes, compares, distinguishes, and infers information provided by participants and then constructs the information into a structured description (Park, 2006:45).

2.2.2.3 Case study design approach
A case study is a design of inquiry which involves an in-depth analysis of a case (Creswell, 2014:14) for deeper understanding of a situation (Forsman, 2008:612) within its real-life context, especially when the boundaries between phenomenon and context are not clear (Yin, 2009:18). According to Yin (2009:18), a case study inquiry copes with technically unique conditions with many variables of interest as data points, relies on multiple sources of evidence (triangulation) and benefits from past development of theoretical propositions to direct data collection. Lee, Mishna and Brennenstuhl (2010:683) identified three unique characteristics of a case study design approach as:
- an empirical approach;
- a rigorous investigation of a single phenomenon that is entrenched in a real-life context, and
- a close relationship with theories.

Pan and Tan (2011:163) proposed a structured-pragmatic-stituational approach to case research with eight stages for case studies to illustrate the conceptual arguments to derive at new theories as illustrated in Figure 2.1.
As can be seen in Figure 2.1, the structured-pragmatic-situational approach provides a step-by-step guide to conducting and reporting quality case studies. Khan (2014a:226) added that the focus of case studies is developing an in-depth description and analysis of a case or multiple cases.

### 2.2.2.4 Explanatory design approach

Explanatory research approach attempts to clarify why and how there is a relationship between two aspects of a situation or phenomenon (Kumar, 2011:11). Explanatory research, if used exclusively, focuses on descriptions of the present world and leaves out how subjects create the patterns that they express. Another feature of the explanatory research is that it does not illustrate how the world as-is would respond if it was confronted nontrivially (Romme, 2011:11).
2.2.2.5 Chosen research design approach

For this study, an exploratory descriptive case study design approach was adopted. The small business growth challenges of female entrepreneurs and suggestions on how they can be overcome were explored through face-to-face interviews with three female small business entrepreneurs and nine small business support specialists employed in institutions providing small business support to specifically female entrepreneurs in Uganda. It was further explored via a literature review what best practice strategies are applied in global developed and developing countries regarding overcoming the small business growth challenges effectively. Further still, the study followed a multiple case study design approach whereby it firstly presented the biographical profiles of the three selected Ugandan female small business entrepreneurs and their businesses, followed by the biographic profiles of the nine small business support specialists and their place of employment.

In the next section, the research methodology will be explained in detail.

2.3 RESEARCH METHODOLOGY

The research methodology will focus on the population and sample, data collection methods; data analysis and trustworthiness of the study. In the next section, the population and sample are explained in detail.

2.3.1 Population and sample

A population is an aggregate or an entire group of people, events, or issues under study (Martin & Guerin, 2006:173). Accordingly, the population for this study is defined as female small business entrepreneurs and small business support specialists employed at small business support institutions, particularly supporting female small business entrepreneurs in Uganda. The researcher contacted the Uganda Registration Services Bureau (URSB) and requested a list of registered female-owned small businesses. However, it was not possible to obtain a list as they were at that point in time (2015) only
having hard copies of the registration applicants, and on the form gender, was not indicated. The researcher then approached the Ugandan Women Entrepreneurs Association Limited for a list of registered female-owned small businesses. However, this list did not indicate the size of the business. The researcher then contacted the Uganda National Small Business Survey office, but again their list did not distinguish small business entrepreneurs based on gender and business size. This complicated searching for formal registered female small businesses in the retail- and services sectors.

As it is not possible to obtain data from the entire population, a sample should be selected. Only obtaining information from a sample, saves time as well as financial and human resources (Kumar, 2011:193). A sample is a subgroup of the population under investigation (Kumar, 2011:194). Sampling, a cornerstone of research integrity, is the process of selecting a few from a bigger group to become the basis for estimating or predicting the prevalence of unknown pieces of information, situation or outcomes regarding the bigger group (Abrams, 2010:537; Kumar, 2011:193). According to Neuman (2007:141), the purpose of sampling is to collect cases, events and actions that clarify and deepen understanding using probability or non-probability methods. These sampling methods are discussed in the next section.

2.3.1.1 Probability sampling methods

In probability sampling methods each element in the population has an equal and independent chance of selection in the sample (Kumar, 2011:199). There are a number of different probability sampling methods to select a sample such as simple-, stratified-, cluster- and systematic sampling, as summarised in Table 2.2.
Table 2.2: Probability sampling methods

<table>
<thead>
<tr>
<th>Probability sampling methods</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple</td>
<td>A sampling frame is developed from which elements are selected according to a mathematically random procedure, then locates the exact element that was selected for inclusion in the sample.</td>
</tr>
<tr>
<td>Stratified</td>
<td>The population is divided into groups by characteristics appropriate for the research questions (e.g. age, income, profit, location), and then a sample is selected from each group.</td>
</tr>
<tr>
<td>Cluster</td>
<td>Population is divided into segments (e.g. geographical, by street), then several segments (e.g. streets) are chosen at random.</td>
</tr>
<tr>
<td>Systematic</td>
<td>Cases are selected by choosing a given number case.</td>
</tr>
</tbody>
</table>


In the following section, these non-probability sampling methods will be discussed in detail.

2.3.1.2 Non-probability sampling methods

According to Kumar (2011:206), non-probability sampling methods are employed when the number of elements in the population is either unknown or cannot be individually identified. Guest, Bunce and Johnson (2006:61) added that a study that is not concerned with statistical generalisability often uses non probabilistic sampling. Acharya et al. (2013:332) noted that the most commonly used non-probability sampling methods are purposive-, quota-, and snowball sampling. In addition several scholars (Neuman, 2007:145; Kumar, 2011:207; Petty et al., 2012:380) identified expert-, deviant case- and theoretical sampling as non-probability sampling methods. These non-probability sampling methods are briefly explained next.

a) Purposive sampling

Purposive sampling is the selecting of participants for special situations especially when a researcher wants to select unique informative cases, participants are difficult-to-reach and interested in conducting and in-depth investigation (Ishak & Baker, 2014:32). Kumar (2011:207) asserted that the primary consideration in purposive sampling is a judgment
as to who can provide the best information. Sampling here is confined to particular types of people who can provide the desired information, either because they are the ones who have it or conform to some criteria set by the researcher. The major types of purposive sampling are: judgmental and quota sampling (Sekaran & Bougie, 2016:255). *Judgmental sampling* is the deliberate choice of a sample due to the qualities the sample possesses (Etikan, Musa & Alkassim, 2016:2). This method is mainly used in situations in which an expert uses judgment in selecting cases with a specific purpose in mind (Neuman, 2007:142). In addition, Kumar (2011:207) noted that expert sampling is when participants are known as experts in the research field of interest. *Quota sampling* the procedure that ensures that a certain characteristic of a population sample is represented to the exact extent that the investigator desires (Acharya *et al.*, 2013:332). The main consideration is the ease of access to the sample population (Kumar, 2011:206).

b) **Snowball sampling**

Snowball sampling also referred to as network, chain referral or reputational sampling is the process of identifying and selecting a sample using networks (Kumar, 2011:208; Neuman, 2007:144). In the process, additional participants are obtained by information provided by the first participants (Acharya *et al.*, 2013:333). The size of a snowball sample is unknown and is used if no accessible sampling frame for the population from which the sample is to be taken, is available (Bryan & Bell, 2011:193). Further still, the snowball sampling technique allows the researcher to get more potential participants for interviewing (Khan, 2014b:307). As a result, in using the snowball sampling technique, each participant in the sample is directly or indirectly tied to the original sample (Ishak & Baker, 2014:33).

c) **Deviant sampling**

Deviant case sampling is when the researcher seeks cases that differ from the dominant pattern or that differ from the predominant characteristics of other cases (Neuman, 2007:145). Deviant case sampling focuses on individuals that are unusual or atypical
(Etikan et al., 2015:3) from which the researcher expects to learn outside what is considered general patterns (Ishak & Bakar, 2014:32). However, this is based on the premise that once the average case is identified, sampling can locate extreme cases that are different from the norm (Roulston & Martinez, 2016:42).

d) **Theoretical sampling**
Glaser and Strauss (1967) in (Khan, 2014a:228) defined theoretical sampling as the process of data collection for generating theory where data are collected, coded, and analysed, and the researcher decides what data to collect next as the theory emerges. In addition, theoretical sampling refers to selecting a sample on the basis of analytical insights and developing theory commonly used in grounded theory (Petty et al., 2012:380). Ultimately, theoretical sampling is concerned with the refinement and saturation of existing, and increasingly analytic categories.

2.3.1.3 **Sample size and characteristics**
Previous scholars differ on the actual sample for a qualitative study. Robinson (2014:29) asserted that the sample size used for a qualitative study is influenced by both theoretical and practical considerations. According to Pietkiewicz and Smith (2014:9), there is no rule regarding the number of participants included in a qualitative study, but it could depend on the depth of analysis of a case study; the richness of the individual cases; how the researcher compares or contrasts cases; and the pragmatic restrictions the researcher is working under. For instance, Gentles, Charles, Ploeg and McKibbo (2015:1783) recommended at least 12 participants for descriptive phenomenological studies and four to ten participants for multiple case studies, while Creswell (2014:189) suggested three to ten interviews for a phenomenological study.
2.3.1.4 Sample method- and size selected for the study and its characteristics

Because of the qualitative nature of this study, a small heterogeneous sample size of five female small business entrepreneurs was considered. Unfortunately it was difficult to obtain registered female small business entrepreneurs to participate in the study. When contacting female small business entrepreneurs through the female business associations, they declined because of lack of time to participate in an interview or upon hearing there is no remuneration involved. Some small businesses were a partnership between a male and female partner and could not be considered to provide a true picture of the challenges female small business entrepreneurs experienced. Some potential participants indicated that they do not see the benefit of participating in such studies because previously they were not given any feedback and it resulted in no changes or improvements for their businesses. For this reason, non-probability purposive sampling was used to select the sample of growth-oriented female small business entrepreneurs in Kampala in Uganda based on convenience. The researcher’s judgment also guide the sample selection based on the criteria set for inclusion in the sample, namely:

- Being female;
- Small business at least three years in existence (since 2011) to have time to grow their businesses;
- Small business registered with the authorities, either Uganda Registration Services Bureau or Kampala City Council Authority (a formal small business);
- Small business that has shown growth in number of employees since inception and currently employing between six to ten employees (in other words not a micro business), and
- operating in formal premises either in the retail, food or services sector (the most popular sectors for business in Uganda).

As it was difficult to find a sample of five female small business entrepreneurs, the final sample comprised of three female small business entrepreneurs; owning a supermarket, restaurant and hairdressing salon. Based on findings of the interviews with the three
female small business entrepreneurs, it became clear that they are aware of the small business growth challenges experienced, but could not provide much information on how to overcome these challenges. There was also uncertainty whether the small business growth challenges could be considered real or perceived. For this reason it was decided to increase the sample size to include small business support specialists employed at the institutions that could enhance understanding of the challenges female small business entrepreneurs experience and how to overcome these small business growth challenges. Most of these institutions were mentioned by the three small business participants as able to assist them in growing their small businesses.

The selection of participants was theoretically based on the observations and analyses conducted during research. Theoretical sampling was conducted whereby the small business support institution selection was guided by the eight challenges indicated by the small business entrepreneurs. This method was used both for data collection and data analysis by comparing the response of the small business entrepreneurs and small business support specialists, thus integrates both deductive and inductive characteristics which increase the comprehensiveness of the study. An online search was conducted to identify the key small business support institutions supporting female entrepreneurs in Uganda. Expert sampling was used to select the specific specialist participants from the small business support institutions that can be regarded knowledgeable to provide information on current strategies and on formulating future strategies to overcome small business growth challenges and to share their views regarding which challenges were real and which were perceived by the female small business participants in Uganda. Gender did not play role in selecting the small business specialists as the focus was on their expertise on small business challenges. Although 11 possible participants were identified, two were unable to participate due to time constraints. The requirements for inclusion of the small business support institutions were:

- provide business development services directly or indirectly to small businesses supporting small business growth of female entrepreneurship in Uganda, and
that where possible, at least two participants from each type of support institutions be interviewed to identify whether institutions differ regarding support strategies offered.

The final sample thus consisted of 12 participants, which is acceptable for qualitative studies (Struwig & Stead 2013:15). The three Ugandan female small business entrepreneurs operated in retail (supermarket) and services restaurant and hairdressing salon) business sectors and will be referred to as Business A, Business B and Business C, and the female entrepreneurs will be referred to as Ms A, Ms B and Ms C in order to adhere to confidentiality and anonymity guaranteed to them. The nine small business support institutions were two government, two funding, two training, one export promotion institutions and two business associations. The small business support institutions’ participants will be referred to with the letter indicating the type of institution, for example G1 and G2 (government institutions), F1 and F2 (financial institutions), T1 and T2 (training institutions), E1 (export promotion institution), and BA1 and BA2 (business associations) to adhere to confidentiality and anonymity guaranteed to them.

In the next section, the data collection process followed in the study will be presented in more detail.

2.3.2 Data collection methods
Both secondary and primary data relevant to the study was collected. These will be discussed in more detail in the next sections starting with secondary data collection.

2.3.2.1 Secondary data collection method
Secondary data are data that has already been collected by someone else (Kumar, 2011:203). An initial step in conducting the research was a comprehensive international and national literature search on barriers to small business growth challenges and female-owned businesses, or SMME information. A computer search through online databases such as EBSCOHOST, Google Scholar and Emerald Insight was conducted to obtain
relevant scholarly articles. A parallel search was done at national level, through an in-depth library search for government or non-government organisations that conduct regular surveys. This investigation was supplemented by a detailed internet search for relevant books, articles, text books, conference proceedings, reports, theses, periodicals and academic journals and other appropriate literature on female entrepreneurship, the Ugandan business environment and small business growth challenges in Uganda. Included in the sampling strategy was to search for global best practice strategies for stimulating small business growth. This chapter was included in the study after conducting the interviews as not adequate information was forthcoming to make a real contribution to overcoming small business challenges, in particular of female entrepreneurs. As is common in qualitative studies, data collection and analysis take place simultaneously. Secondary data were screened to determine the applicability to small business growth of female entrepreneurs of data to the current study.

Small business growth challenges in both developing and developed countries were explored via desktop research and how these countries went about overcoming these small business growth challenges. Desktop research refers to seeking facts and general information on a topic or historical background that have been published or exist in public documents and can be obtained from libraries, newspaper archives, government, university or websites (Elsweiler, Jones, Kelly & Teevan, 2010:28). The secondary data search (desktop research) that was conducted for the global best practice strategies for small business growth was structured and based on:

- SMME policies and programmes;
- Access to finance;
- Market openness;
- Infrastructure development, and
- Cultural and social values to entrepreneurship.
The desktop research was used as a means of triangulation to confirm or contrast the findings of this study in Uganda with the findings of studies in other developing and developed countries and most importantly to provide relevant recommendations that could assist female small business entrepreneurs to grow their small businesses. Triangulation is the use of more than one method or source of data in a study of social phenomena (Bryman & Bell, 2011:397). It was further indicated that it can take the form of:

- data triangulation where data are collected at different times or from various sources (Hau, Griffiths & McKenna, 2013:18);
- methodological triangulation, where both quantitative and qualitative techniques are employed (Bekhet & Zauszniewski, 2012:42), and
- triangulation of theories, where a theory is taken from one discipline and used to explain a phenomenon in another discipline (Bryman & Bell, 2011:397).

This study utilised data triangulation as data were collected at different times in a period of ten months and from various sources such as interview data with female small business entrepreneurs and small business support specialists employed at small business support institutions; observing and interviewing all participants at their premises. Data from business websites were also utilised to enhance the study data. In addition, desktop data were collected on best practices of selected countries on how to overcome small business growth challenges and stimulate small business growth in a country. From the secondary data collected in this study it is evident that a great need exists for more empirical research specifically on female entrepreneurship in Uganda, and which appropriate best practice strategies for supporting small business growth can be implemented.

### 2.3.2.2 Primary data collection method

Primary data are data collected for the first time for a specific purpose of the study (Kumar, 2011:393). There are several data collection methods for quantitative studies or qualitative studies. Creswell (2009:145) asserted that in quantitative studies the main data
collection methods are: surveys and experiments. Rowley (2014:310) added that surveys are used to collect data from a relatively large number of respondents and findings can be generalised. On the other hand, there are various primary data collection methods for qualitative studies (Chotkan, 2009:28-29; Creswell, 2009:181), namely:

- **Observations** are those in which the researcher takes field notes on the behaviour and activities of individuals at the research site;
- In **interviews**, the researcher conducts face-to-face interviews or use the telephone to contact the participants for follow-up interviews;
- **Documents** may be public documents such as newspapers, minutes of meetings and officials reports or private documents like personal journals and diaries, letters and e-mails, and
- **Visual materials** may take the form of photographs and art objects.

These data collection methods have different advantages and disadvantages as presented in Table 2.3.

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<tr>
<th>Data collection methods</th>
<th>Advantages</th>
<th>Disadvantages</th>
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<tbody>
<tr>
<td><strong>Observations</strong></td>
<td>• Researcher has first-hand experience with participant</td>
<td>• Researcher may be seen as intrusive</td>
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<td>• Researcher records information as it occurs</td>
<td>• Private information may be observed that the researcher cannot report</td>
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<td>• Unusual aspects can be noticed</td>
<td>• Researcher may not have good attending and observing skills</td>
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<td></td>
<td>• Useful in exploring topics that participants are uncomfortable discussing</td>
<td>• Certain participants may present special problems in gaining rapport</td>
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<td><strong>Interviews</strong></td>
<td>• Useful when participants cannot be observed</td>
<td>• Provides direct information.</td>
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<td>• Participants can provide historical information.</td>
<td>• Can take place in a designated place rather than the natural setting.</td>
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<td>• Allows researcher control over the line of questioning</td>
<td>• Researcher’s presence may bias responses</td>
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<td>• Not all people are equally articulate and perceptive</td>
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<tr>
<td><strong>Documents</strong></td>
<td>• Enables researcher to obtain the language and words of participants</td>
<td>• Not all people are equally articulate and perceptive</td>
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<td>• May be protected information unavailable to public or private access</td>
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<td>Data collection methods</td>
<td>Advantages</td>
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<td>- Can be accessed time convenient to researcher</td>
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<td>- Requires researcher to search out the information in hand-to-find places</td>
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<td>- Represents data which are thought in that participants have given attention to compiling them</td>
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<td>- Requires transcribing for computer entry</td>
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<td>- It saves the researcher the time and expense of transcribing</td>
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<td>- Materials may be incomplete</td>
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<td>- The documents may not be authentic or accurate</td>
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<th>Visual materials</th>
<th>May be an unobtrusive method of collecting data</th>
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<td>Provides an opportunity for participants to directly share their reality</td>
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<td>May be difficult to interpret</td>
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<td>May not be accessible publicly or privately</td>
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<td>The presence of an observer may be disruptive and affect responses</td>
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Adapted from: Creswell (2009:179-180)

A combination of the above qualitative methods were utilised to collect primary data as elaborated in the next paragraph. Data were collected from participants over the period August 2015 to April 2016.

Before the interviews a personal visit was made to the female participants' business premises and small business support specialists' institutional offices to seek permission and secure an appointment to conduct a face-to-face interview. To gain access an introductory cover letter endorsed by the NMMU ethics committee explaining the purpose of the research study and confirmation of confidentiality and anonymity was used. Contacts for the female entrepreneurs and staff details from the institutions were confirmed and recorded. Once the participant accepted, a consent form (Annexure D) was signed prior to conducting the interview. Then the researcher used the interview schedule to conduct the interview by recording all the responses. Some insitutional participants requested to read through the interview schedule prior to the interview. The interview schedules were sent to these participants to enable them to be more prepared for the interview at the agreed interview date.
Primarily detailed face-to-face interviews were conducted in English with three female small business entrepreneurs and nine small business support specialists to generate a rich source of information. The female small business entrepreneurs described their profile and those of their businesses, growth aspirations, and business growth challenges experienced, and also gave possible solutions to the challenges. The small business support specialists provided their personal and institutional profile, the challenges female entrepreneurs are faced with and highlighted possible strategies on how to overcome the female small business growth challenges faced. The participants were interviewed for 45 minutes to one hour at a time. An attempt was made to capture the exact wording of participants during the face-to-face qualitative interviews. Later, participants were contacted telephonically and also emailed if necessary to clarify any issues that arose after conducting the face-to-face interviews. This was intended to elicit broader views and opinions from participants. In addition, observations involved taking field notes regarding the responses and activities of participants at the research site. Also, qualitative documents were sought from female entrepreneurs such as the business registration certificate, trading license certificate, website addresses and business cards, emails, operational manuals and policies were, if willing to share.

Data triangulation, as mentioned before, was also employed at this level. Data triangulation was used to distinguish between real or perceived business challenges. It is likely that the business challenges indicated by the female entrepreneurs could also be perceived barriers. For this reason, institutions that could assist female small business entrepreneurs to overcome small business growth challenges were selected to participate in the study as they assist in providing information on current strategies and on formulating future strategies to overcome these small business growth challenges.

In this study, constant comparative analysis ensures that the coding process maintains its momentum by moving back and forth between the identification of similarities among and differences between emerging categories. This study also try to establish which
categories may be linked to each other. Further data were collected in the light of categories that have emerged from earlier stages of data analysis. Making comparisons allowed the researcher to look for opposites of the data. The process involved using multiple stages of data collection, refinement and interrelationship of categories of information (Charmaz, 2006:4). Once an interview was completed the data were compared to the data obtained from the other participants. Categories were developed as the need arose and this information was further explored telephonically with the other participants to confirm whether it is a general small business challenge or specific to a business or sector.

The biographical profile of the three selected Ugandan female-owned small businesses and their owners were provided. The biographic profile of the small business support institutions' interviewees and the institutions they are employed in, were also provided. Furthermore, the small business growth aspirations of the three small business entrepreneurs were highlighted and a discussion of the challenges hindering small business growth is thereafter presented. The strategies that the female three small business entrepreneurs regarded as necessary to overcome the challenges as well as those suggested by the small business support specialists employed in the various institutions interviewed, are also elaborated on. An in-depth discussion of how the generic small business challenges and those pertaining specific to female small business entrepreneurs could be overcome, were also presented.

The researcher made every effort to ensure objectivity, avoid being biased and presented only data truthfully obtained from the female small business entrepreneurs and small business support specialists and not purely based on observations made during the interviews.

In the next section, the research instruments that will be used in the study are discussed in more detail.
2.3.2.3 Research instruments

Various research instruments exist such as questionnaires for quantitative research design and interview schedules for qualitative research design. Questionnaires are written forms of questions that can be mailed, e-mailed or distributed to a group of employees or users (Martin & Guerin, 2006:171). Questionnaires can be unstructured, structured, or semi structured (Chotkan, 2009:29). The structured questions are usually short answers with enough options for participants to find their response in a list of pre-determined answers. This limits further probing. An interview schedule is a list of semi-structure dquestions developed prior to the interview (Martin & Guerin, 2006:171). However, responses may lead the interviewer to probe a bit further into new areas.

This study used two semi-structured interview schedules to guide the face-to-face interviews with the participants (female small business entrepreneurs and small business support specialists). The interview schedule for female small business entrepreneurs (see Annexure A) explored the following:

- **Section A** canvassed information pertaining the biographical profile (personal profile and business profile) of the participants. Under personal profile six questions were asked in terms of age, education qualifications, marital status, number of dependents in the family and their relationships; number of children and their age; and home language spoken. Under business profile nine questions were asked focusing on business name; business contact details; date of establishment; type of business ownership; products/services selling; number of employees at business initiation (excluding owner); current (2016) number of employees (excluding owner); business assets owned and business language used;

- **Section B** explored the participants' entrepreneurial background and business operations in which five questions were asked regarding their entrepreneurial background, whether any family member owned a business, what prompted the entrepreneur to start a business, or whether she owned any business prior to the current business and also if not, why the business was sold off. Business operations
were explored in seven questions on the participants' daily active involvement in the business regarding trading hours and days, a description of business customers, the gender of the employees, whether permanent or temporary employed and their roles in the business, as well as whether the participant had a separate bank account for the business;

- **Section C** investigated the growth aspirations of the female small business participants using four questions focusing on the participants’ business vision/mission, future goals, whether having a written business plan, and growth indicators since establishment, and

- **Section D** investigated the small business growth challenges and strategies to overcome these challenges in six questions by establishing whether government provide a supportive SMME business environment and suggestions on what should be done by government and other small business support institutions to assist small business growth, other small business growth challenges affected the business growth and how it can be overcome, what female-related challenges they experience preventing them from growing their business and how these challenges can be overcome.

The interview schedule for small business support specialists employed in government-, finance-, training- and export promotion institutions and business associations was structured as follows (see Annexure B):

- **Section A** was compulsory to all participants in the small business support institutions and canvassed the biographical data (personal profile and institutional profile) of the participants. The personal profile explored eight questions in terms of gender, age, education qualifications, marital status, number of years of working experience, current job title, period in position, current unit/department, and management responsibilities. The institutional profile were canvassed regarding the institution’s name; location of headquarters, nature of ownership, date of establishment, number of employees in the department and entire institution and the organogram;
• Section B investigated government interventions for growing female-owned small businesses in Uganda in 19 questions from two government institutions (G1 and G2);
• Section C investigated in four questions the sufficiency of funding opportunities, access to funding, financial support and awareness of funding opportunities for the growth of female small businesses from two financial institutions (F1 and F2);
• Section D investigated adequacy of business skills training and awareness of offering in two questions from two training institutions (T1 and T2);
• Section E examined export promotion in five questions regarding export assistance rendered to small businesses to enter international markets, access global opportunities and awareness created of such assistance from one export institution (E1), and
• Section F explored female small business support assistance in eight questions regarding assistance to female entrepreneurs, role in promoting small business growth, provision of mentoring, information availability, sharing of best practices, cultural barriers and family-related issues raised with regards to small business growth from two business associations (BA 1 and BA 2).

In the next section, the data analysis procedures will be discussed in more detail.

2.3.4 Data analysis
The process of data analysis involves making sense out of text and image data (Creswell, 2009:183). Data analysis is different in both quantitative and qualitative studies. According to Rowley, (2014:323) the most commonly used data analyses in quantitative studies are:
• Univariate analysis or descriptive statistics in which responses from respondents are profiled as one variable at a time;
• Bivariate analysis focuses on the associations between two variables, and
• Multi-variate analysis recognises that in many social science and business studies, there may be a number of factors at work.
According to McLellan, Macqueen and Neidig (2003:67) the process of qualitative analysis entails providing an in-depth description of the knowledge, attitudes, values, beliefs and experiences of participants in the transcript. Dierckx de Casterle, Gastmans, Bryon and Denier (2012:361) added that the process is very complex, and not generalised. Tesch’s (1992:142-145) suggests eight steps to plan the data analysis process as follows:

- The researcher read carefully through all the transcriptions to gain a sense of all the information and writing down ideas as they came to mind;
- The researcher selected one interview schedule and read through it thoroughly to understand the interview and the underlying meaning in the information, and made notes as thoughts as they came to mind;
- The researcher completed this procedure for all the interview schedules and compared all the themes and grouped similar themes together in two columns with headings representing major themes and sub themes;
- The researcher then allocated codes to these themes and coded the relevant sections in the interview schedules and checked the data for new emerging themes or codes;
- The researcher identified the most descriptive words for themes and converted these into categories while attempting to reduce the categories by grouping together themes that related to each other;
- The researcher finalised abbreviations for each category and alphabetised the codes;
- The themes belonging to each category was grouped together and a preliminary analysis was performed on each category and irrelevant data were discarded, and
- Recoding of existing data were done where necessary and the structure of the data analysis was refined.

Alternatively there are a variety of methods to analyse qualitative data and these include: thematic analysis, content analysis, constant comparison method, discourse analysis, critical discourse analysis, conversation analysis and analysis of narratives (Petty et al., 2012:381). This study utilised the content analysis and constant comparison methods for
data analysis. Content analysis assist in coding the data. Constant comparative analysis enables identifying similar and unique issues. These two data analysis are discussed in the following sections.

2.3.4.1 Content analysis
Content analysis is a technique for examining information, or content, in written or symbolic material (Neuman, 2007:20) and a class of methods within empirical social science that can be applied both in a quantitative and a qualitative way (Seuring & Gold, 2012:546). In addition, Arasti, Panahi, Zarei and Rezaee (2012:84) agreed that content analysis is a research technique for making replicable and valid inferences from text or other meaningful matters, to the contexts of their use hence an excellent source of information (Joshi, Ubha & Sidhu, 2012:591). The researcher has an opportunity to explore implicit assumptions (latent content) alongside explicit statements (manifest content) in a text (Spens & Kovács, 2006:378).

The analysis process involved coding. Coding is the process of taking text data gathered during data collection, segmenting sentences into categories, and labeling those categories with a term based in the actual language of the participant (Creswell, 2014:198). Coding of data is a circular process that involves revisiting raw data based upon theoretical findings and the current research literature (DeCuir-Gunby, Marshall & McCulloch, 2011:138). By coding the raw data the researcher allocates specific meanings to the specific part of the data to make the dataset manageable for the further stages of the research. Coding the data enables the analyst to identify categories and sub-categories. The theme identification process was followed by a three-step coding process that consisted of open, axial and selective coding procedures. The analytical coding steps (open, axial and selective coding) are performed in an intertwined way, going back and forth between interview schedules, concepts and categories (Wolfswinkel, Furtmueller & Wilderom, 2011:7).
• Open coding is the analytical process of generating higher-abstraction level type categories from sets of concepts;
• Axial coding is the further developing of categories and relating them to their possible sub-categories, and
• Selective coding is the integration and refining of the categories.

Prior to the coding process, each transcript was assigned a letter of the alphabet to ensure that the participants could not be identified, and all female small business entrepreneurs were subsequently referred to using the assigned letter e.g. Ms. A from Business A and small business support specialist as Ms. G1 from institution G1. These identified units of meaning to a large extent bore relation to and showed consistency with the questions that were asked during the interviews (Annexures A and B). Prior to the coding process, while trying to understand the information contained in the transcripts, ideas were written down as they came to mind. Related issues that emerged from these transcripts were categorised together (open coding). The codes were then allocated and placed next to relevant words or phrases in the transcripts. These words and phrases were analysed further (axial coding) to discover any underlying themes and subthemes. Following this, the themes and subthemes were then refined and integrated were possible (selective coding) to complete the analysis.

For the purpose of this study, it was decided to use content analysis (Arasti et al., 2012), whereby after collecting all the data and supporting documents, the researcher retyped the data using the exact words by participants, and used the information as an audit trail. At first, all notes and transcripts were read to gain an overview of the body and context of the gathered data. The researcher identified words and phrases that were common and repeated from the small business entrepreneurs and small business support specialists. In the content analysis the following eight main themes were identified as challenges namely:
• small business support;
• business skills development training;
• legal business operations requirements;
• business taxation;
• access to finance;
• infrastructure;
• family-related issues, and
• cultural taboos.

The suggested strategies to overcome the small business challenges were analysed within the same themes.

2.3.4.2 Constant comparison method

According to Manuj and Pohlen (2012:794), the following key issues are evaluated during the constant comparison process:
• firstly, it was determined whether coding occurred at a descriptive or conceptual level;
• secondly, the use of constant comparative analysis appeared in the description of how new codes are created, the discovery of categories and properties and the resulting relationships between categories;
• thirdly, constant comparison was used to guide theoretical sampling, and
• finally, the constant comparison of data within the research reflected a focused flexibility to keep transcending the analyses until the problem is theoretically saturated.

Therefore, it can be seen that the constant comparison process continuously checks, discusses and further develops insights (Dierckx de Casterle et al., 2012:368). It thus enable describing the real and perceived challenges identified in this study, as well as generic and female-specific challenges. This analysis process was also complemented by sorting the data. Both the process and stages as indicated by Manuj and Pohlen (2012:794) are important in qualitative studies of this nature. The researcher made
observational notes while reading through the transcripts to define relationships between categories.

Figure 2.2 shows a summary of the data collection, analysis and reporting processes.

**Figure 2.2:** Showing the process of data collection, analysis and reporting

![Data process diagram]

Source: Own construction
As can be seen in Figure 2.2, the study followed a comprehensive process consisting of several steps. From the above discussion, it can be observed that the researcher identified a suitable sample and employed the most appropriate data collection and analysis methods to contribute to the level of trust required in the reported outcomes. The next section elaborates how the trustworthiness of the study is ensured.

2.4 TRUSTWORTHINESS OF THE STUDY
Trustworthiness refers to the confidence in the results of a study determined by those evaluating it (Petty et al., 2012:381). It is important to pay specific attention to ensuring trustworthiness of the study given the nature of qualitative research and the role of the researcher (Gunawan, 2015:10). Sun (2009:21) emphasised that trustworthiness of a qualitative study has two primary areas of concern:

- use of rigorous methods of the study, and
- the credibility of the researcher since he/she is the instrument.

According to Bryman and Bell (2011:395) trustworthiness comprises of four criteria, namely credibility, transferability; dependability and conformity, as next elaborated on.

2.4.1 Credibility
Qualitative validity refers to checking for accuracy of the findings (Creswell, 2009:190). Credibility can be established through the degree of engagement that a researcher demonstrates with the field of study generally or an investigation specifically (Garside, 2014:70). Morse (2015:1212) proposed that credibility is enhanced with prolonged engagement, persistent observation, triangulation, peer debriefing, negative case analysis, referential adequacy and member checks. Triangulation is a method used to regulate the trustworthiness of qualitative research (Aguirre & Bolton, 2014:289). According to Carter, Bryant-Lukosius, DiCenso, Blythe and Neville (2014:545) triangulation tests validity through the convergence of information from different data sources. This implies that multiple complementary methods within a given single
paradigm are used credibility of the research findings (Hussein, 2009:4). On the secondary information level, archival data such as webpages (where possible) are gathered and analysed in order to achieve required data triangulation (Caetano, Santos & Costa, 2014:139). Therefore, triangulation signifies that from a methodological perspective, misinterpretations of participants’ accounts are reduced and ethically empowers participants through their active involvement in the study (Goldblatt, Karniel-Miller & Neumann, 2011:390).

Data source triangulation was ensured through the collection of data through interviews from two groups of participants, including female small business entrepreneurs and small business support specialists to gain multiple perspectives and validation of data. Further still, interview data were compared with the data from internal documents and the small business support institutional office’s website. Members checks were conducted whereby the study promoter verified the themes and sub-themes identified by the researcher. The researcher also confirm with participants her understanding of what was said.

2.4.2 Transferability

The second criterion of trustworthiness is transferability (applicability or fittings) conventionally termed external validity. Transferability is a broad description and in-depth contextualisation of the data (Garside, 2014:70), but leaves the responsibility to readers of the research to decide if findings match with the context (Ungar, 2006:264). Therefore, Polit and Beck (2010:1453), affirmed that it is the readers of the study who “transfer” the outcomes.

The data collected was contextually analysed in detail to be able to identify the small business growth challenges as perceived by the three female small business entrepreneurs. In addition, the strategies the three small business entrepreneurs regarded as necessary to overcome the small business growth challenges, as well as those suggested by the institutional small business specialists, were also identified. An
in-depth discussion followed on how the mutual (generic) and unique (female-specific) challenges could be overcome whilst taking into consideration global best practices for small business growth as was discussed in chapter six to guide the discussion and enable transferability.

### 2.4.3 Dependability

The third criterion is the notion of dependability (consistency) conventionally termed reliability. Dependability is assured through inquiry audits, which assess the fit between the process of inquiry and the issues and questions under study (Ungar, 2006:264). Creswell (2009:190) suggested the following procedures to ensure dependability:

- Checking transcripts to make sure that they do not contain obvious mistakes made during transcriptions;
- Making sure that codes are allocated consistently. This was accomplished by constantly comparing data with the codes and by having a key to defining each code, and
- Cross-checking codes developed and comparing results to determine inconsistencies.

From the above procedures, the researchers’ transcripts were consistently checked by the study promoter to assess whether the correct participants were interviewed and whether the researcher’s the interpretation of the codes was in the context of the study and related to the participants’ businesses or institutions employed in. This was conducted throughout the study to guide the report writing.

### 2.4.4 Confirmability

Finally, confirmability (objectivity/ neutrality) is the process of examining the study’s data analysis, findings and thematic interpretations by experts outside the study and making comments on the theory generated and the process of its generation (Ungar, 2006:264). This is usually achieved by a confirmability audit trail. An audit trail is a cumulative update of the records during and after analysis (Guest et al., 2006:65). An audit trail clarifies the
difference between the database and the interpretation (Lee et al., 2010:686). In addition, the presence of an audit trail illustrates the extent to which the study findings are considered to be a truthful interpretation of the collected data (Garside, 2014:70). The presence of an audit trail is intended to guide the reader to a conclusion of trustworthiness of qualitative research (Thompson, McCaughan, Cullum, Sheldon & Raynor, 2004:16). Hence providing an audit trail ensures access to data (Beverland & Lindgreen, 210:57).

A cumulative audit trail was built from the interviews and observations. This was created by updating the records after analysis of each of the 12 transcripts. The first analysis involved three transcripts and nine transcripts in the second analysis. The researcher started with data from the female small business entrepreneurs and completed all the interviews. Nine transcripts from the institutional small business support specialists were then added to the analysis until all the 12 interviews were analysed. Findings signify as far as possible the specific study investigated without considering the researcher’s beliefs or biases.

In the next section, the ethical considerations of the study are presented.

2.5 ETHICAL CONSIDERATIONS
The researcher made conscious efforts to ensure that ethical standards are adhered too. Ethical clearance was obtained from the from NMMU ethics committee (Annexure C). The researcher obtained permission from the participants prior to commencing the study. The purpose of the study was clearly outlined to the participants. The researcher also ensured transparency and truthfulness with all the respondents throughout the study to gain their trust. This involved presenting an introductory letter from NMMU to the participants clearly stating the process of how the interview was to be conducted. Also, participants’ participation was based on their consent (Annexure D). All information sourced during the research was kept confidential and anonymous by referring to the small businesses as Business A, Business B and Business C, and the female owners were referred to as Ms A, Ms B and Ms C. In addition, the institutions that participated were referred to as
Institution G1, G2, F1, F2, T1, T2, E1, BA1 and BA2 and participants referred to as Ms. G1, Ms. G2, Ms. F1, Mr. F2, Mr. T1, Ms. T2 Mr. E1, Ms. BA1 and Ms BA2, in order to adhere to confidentiality and anonymity guaranteed to them. No sensitive questions were canvassed. If the participant was unwilling to respond to a question, it was not further pursued.

2.6 SUMMARY

The main purpose of this chapter was to discuss the research design process and methodologies used in this study. This was attained with a discussion on research design by comparing the positivistic and phenomenology paradigms and explained why the phenomenological paradigm was chosen for this study. The chapter also elaborated on the research design approaches and justifies why an exploratory descriptive case study research approach was adopted.

The chapter also presented the research methodology for the research. Within the research methodology several aspects were discussed. The population of the study was all female-owned small businesses in Uganda and small business support specialists employed in institutions that support the growth of female entrepreneurship. The sample of the study was 12 participants which comprised of three growth oriented female small business entrepreneurs owning a retail shop, restaurant and hairdressing salon and nine institutional small business support specialists (government-, funding-, training-, export promotion- and training institutions and business associations) were selected using purposive, theoretical, and expert non-probability sampling methods.

Secondary data were collected through a comprehensive international and national literature. While primary data were collected using two semi-structured interview schedules to participants. Data analysis involved the coding process from which themes were identified; further still data were subjected to content and comparative analysis within the grounded theory principles. Trustworthiness of the study was ensured through
credibility, transferability, dependability and conformity criteria. The study was cleared for ethics and also participants voluntarily consented to participated, in turn confidentially was ensured throughout the study. In the subsequent chapter, a review of literature on female entrepreneurship is provided.
CHAPTER THREE
FEMALE ENTREPRENEURSHIP

3.1 INTRODUCTION

In Chapter Two, the research design and methodology used in the study was presented. The study motivated the choice of adopting the qualitative research paradigm. Chapter Two also described the data collection process by highlighting primary and secondary data, the data analysis procedure, as well as how trustworthiness of the study was ensured.

There is increasing attention in female entrepreneurship worldwide. Females are taking leading roles in helping their respective governments develop strong small businesses that contribute significantly to poverty reduction (Singh & Belwal, 2008:121). Therefore, supporting and expanding female entrepreneurship is a worthwhile objective (Minitia & Naude, 2010:280) for different stakeholders.

Chapter Three presents an overview of the female entrepreneurship. The evolvement of female entrepreneurship will be discussed first. A brief background on female entrepreneurship in Uganda will be provided. This chapter will also discuss female entrepreneurial characteristics, motivational factors towards female entrepreneurship; industry gender biases that exist; and type of networks used by female entrepreneurs, that may influence their intention to business growth.

In the next section, the evolvement of female entrepreneurship will be discussed in detail.

3.2 THE EVOLVEMENT OF FEMALE ENTREPRENEURSHIP

The scholarly study of female entrepreneurship began in the late 1970s, when females fought to join the professional labour force in greater numbers (Parker, 2010:171). Because of the many issues concerning females and entrepreneurship, it led to the
necessity for a feminist theory of entrepreneurship (Chotkan, 2009:2). According to this author, the feminist theory identifies three approaches:

- the *liberal* feminist approach encompasses fundamental beliefs in the equality of all human beings as essentially rational, self-interest-seeking agents (Inmyxai & Takahashi, 2011:464); therefore, suggesting that female- and male-owned businesses should perform equally well (Robb & Watson, 2012:546);
- The *social* feminist approach states that there are differences between the experiences of males and females from the earliest moments of life that result in fundamentally different ways of seeing the world (Inmyxai & Takahashi, 2011:546). However, based on the differences, the approach does not predict that female-owned businesses will underperform as compared to male-owned businesses (Robb & Watson, 2012:546), and
- the *post-structuralist* feminist approach has constructs with masculine and feminine characteristics and the social effects of these constructions (Chotkan, 2009:3).

Despite the differences in philosophical thinking, according to the above-mentioned authors, all three streams focus on the female entrepreneur and highlight her enduring and self-reinforcing ability that enable her to grow an entrepreneurial business. The *liberal* feminist approach suggests that females and males are equal while the *social* feminist approach suggests that they are different; the *post-structuralist* theory focuses on the masculine and feminine characteristics. The theories seem to suggest that female- and male-owned businesses should not perform differently. However, the National Small Business Survey of Uganda (2015:9) found that female-owned businesses remain small with less than 20 employees, unlike males who owns medium or large businesses.

Since the identification of the feminist theories, female entrepreneurs gained value for their ability to contribute towards sustainable global development (Masese & Kebande, 2013:50; Singh & Belwal, 2008:124) and is recognised in their own right. A female entrepreneur is an individual who initiates, directs and sustains entrepreneurial behaviour
(Singh, Simpson, Mordi & Okafor, 2011:204) and such behaviour influences the management of the business (Dobbs & Hamilton, 2007:307). Female identity, personal characteristics, motivation and goals affect their business growth orientation in developed and developing countries (Arasti, Panahi, Zarei & Rezaee, 2012:85). The next section provides background information on female entrepreneurship in Uganda, the focus of this study.

3.3 BACKGROUND TO FEMALE ENTREPRENEURSHIP IN UGANDA

According to the Ministry of Finance, Planning and Economic Development (2011:4), 52.6 per cent of females and 47.4 per cent of males own and are engaged in small businesses in Uganda. The female-owned small businesses contribute 90 per cent of the private sector production by providing employment to about 70 per cent of the labour force; hence playing substantial roles in income generation and poverty reduction. According to Mungyereza (2014a:44), Uganda’s 51 per cent of the total working age population are females, where 82 per cent are engaged in economic activity (paid employment, self-employed, employers, contributing to family labour) and 18 per cent are not working. Further still, the female unemployment rate in Uganda is estimated at 11 per cent (Mungyereza, 2014b:22). This indicates that in Uganda the untapped potential of females is sizeable albeit most businesses being necessity-driven (Museveni, 2010:192). Based on these statistics, it seems that females play a major role in the Ugandan economy hence the focus of the study.

Female roles in development activities are inadequate due to social and cultural pressure. In many parts of Uganda, especially rural areas with over 95.3 per cent females, their roles have not changed (Bbumba, 2007:5). While Ugandan cultural beliefs, traditions, values and myths are critical in modeling society, they at times conflict with modern laws such as widow inheritance and female genital mutilation (Ministry of Education and Sports, 2013:9). Female genital mutilation practices cause young females to drop out of school and hence limit their entrepreneurial capability. Females are still the primary
caregivers, and still do not receive credit for it. The HIV/AIDS epidemic is also a burden to females (Ministry of Finance, Planning and Economic Development, 2011:18) which leads to low productivity and many dependents. Unless this trend is noticeably reversed, an estimated 13 million of Uganda’s population will ultimately die of poverty. Their enormous contribution to economic development is not proportionally reflected in either the income gains or ownership control. In Uganda, it is generally acknowledged that females’ share in the ownership and control of productive resources is far less than that of males (Otafiire & Opio, 2009:1).

The Ugandan government’s concerns and commitment to improving the status of females is enshrined in various policy documents. In a Global Gender Gap report Uganda’s political empowerment indicator ranked 28th out of 136 countries (Schwab, 2013a:362). The report further revealed that although 54 per cent of females are employed in parliament, only 47 per cent of females have ministerial positions. In the last 50 years Uganda has not had a female president. This is an indication that female political empowerment in Uganda is still developing. Similarly, various female organisations in Uganda are also involved in the effort of empowering female entrepreneurs throughout the country amongst others:

- **Africa Women’s Economic Policy Network (AWEAPON)** is a Pan- African faith-based non-governmental Organization (NGO) with the regional secretariat legally registered in Uganda. AWEAPON has an active membership of 150 organisations in about 30 countries across Africa. AWEAPON seeks to strengthen the capacity of females especially at the grass roots and national levels to influence the shape of economic policy (Africa Women’s Economic Policy Network, 2008:3);

- **The Council for Economic Empowerment for Women in Africa Uganda Chapter (CEEWA-U),** is a non-governmental Organisation (NGO) comprising of professional females with diverse backgrounds and experiences who commit themselves to working towards empowering Uganda’s grass root females (Council for Economic Empowerment for Women in Africa Uganda Chapter, 2005:1);
- National Association of Women Organizations in Uganda (NAWOU) is an indigenous umbrella for female organisations. NAWOU works with and supports rural-based subsistence agriculture and carries out activities to improve the status and living conditions of females such as preventing domestic violence, lobbying for a fair family relations law, training females as household and community leaders, offering credit support to female groups, and setting up a marketing network for producers (Stevenson & St-Onge, 2005:55);

- Uganda Association of Women Lawyers (FIDA-U) is a female rights organisation established in 1974 to champion human rights, governance, legal and policy issues. FIDA Uganda established its first legal aid clinic in Kampala in 1988, with the objective of providing legal services to needy females to enable them access to justice (Nainar, 2011:3);

- Uganda Women Entrepreneurs Association Limited (UWEAL) is an organisation whose main objective is to support female entrepreneurs through the provision of business development services and advocating for an enabling environment, which meet their specific needs. This organisation has grown to a countrywide network of about 800 members (Stevenson & St-Onge, 2005:53);

- Uganda Women’s Network (UWONET) is an advocacy and lobby coalition of 16 national female organisations, institutions and individuals in Uganda. The network operates in collaboration with other community support organisations, networks and institutions in the country. It was born out of the East African Conference held in Kampala in 1993 and is registered by the Uganda NGO Board under Uganda NGO registration statute (Kawamara-Mishambi, 2010:1), and

- Women of Uganda Network (WOUGNET) is a legally registered non-governmental organisation initiated in May 2000 by several female organisations in Uganda to develop the use of Information and Communication Technologies (ICTs) among females as tools to share information and address issues collectively (Adome, 2011:8).
Most of the activities carried out by these institutions address SME issues only. Despite their wide coverage and reach, they have not reached out effectively to all female-owned small businesses in Uganda. In the next section, characteristics unique to female entrepreneurs will be discussed.

3.4 FEMALE ENTREPRENEURIAL CHARACTERISTICS

Personal female characteristics are those attributes that are unique to a female business owner which could affect the growth of the business negatively or positively (Garwe & Fatoki, 2012:453). Otten-Pappas (2013:18) confirmed that adequate commitment is a necessity for business survival. Quader (2012:110) identified a number of characteristics specific to female entrepreneurs, such as:

- engaging in holistic thinking;
- having a need for achievement;
- being ambiguous and assertive;
- comfortable with power;
- being creative;
- intuitive;
- striving for perfectionism;
- engaging in opportunistic thinking, and
- ability to manage risks.

In addition to the female entrepreneurial characteristics by Quader (2012:10), Jain and Ali (2012:304) pointed out internal locus of control, proactiveness and self-efficacy as desirable female characteristics. The work by Munshi, Munshi & Singh (2011:158) was even more comprehensive because it found that female entrepreneurs have 22 entrepreneurial characteristics. Females are inventors, commercialisers, traders, flexible, self-confident, pragmatic, visionary, independent, have high energy levels, the ability to bounce back, results-oriented, all-rounder, decisive, self-motivated and have flair. On the other hand, Katongole, Ahebwa and Kawere (2013:173) found that females have high
levels of conscientiousness, extraversion, agreeableness, emotional stability and low levels of openness to a new experience which influences business growth. Garwe and Fatoki (2012:458) asserted that the membership of professional associations, learning orientation and possession of personal assets enables female entrepreneurs to create linkages that enable them to grow their businesses.

As can be seen from the above, according to many authors, the female characteristics that drive their entrepreneurial businesses are many and play an important role in influencing business growth. However, it is acknowledged that many of these characteristics are applicable to any business, regardless if being owned by a male or female. In addition, several demographics were identified that influenced female entrepreneurs’ intention towards business growth, such as their age, education and experience, marital status and family support, business age, business ownership form and business size as presented in Table 3.1.

Table 3.1: Demographics that influence females’ intention towards business growth

<table>
<thead>
<tr>
<th>Demographic factors</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female entrepreneur’s age</td>
<td>Chirwa (2008:350); Piperopoulos (2012:195)</td>
</tr>
<tr>
<td>Education and experience</td>
<td>Chirwa (2008:350); Piperopoulos (2012:195)</td>
</tr>
<tr>
<td>Marital status</td>
<td>Chirwa (2008:350); Piperopoulos (2012:195)</td>
</tr>
<tr>
<td>Family support</td>
<td>Chirwa (2008:350); Piperopoulos (2012:195)</td>
</tr>
<tr>
<td>Business age</td>
<td>Blackburn, Hart &amp; Wainwright (2013:12); Loscocco &amp; Bird (2012:199); Rehman &amp; Roomi (2012:214); Robb &amp; Watson (2012:549)</td>
</tr>
<tr>
<td>Business size</td>
<td>Bitature (2008:5); Itani et al. (2011:415); Loscocco &amp; Bird (2012:199); Nshaho (2011:104); Opio (2011:7); Robb &amp; Watson (2012:549); Roomi et al. (2009:276)</td>
</tr>
</tbody>
</table>

Source: Own construction
A discussion of the above-mentioned demographics follows.

3.4.1 Female entrepreneur’s age
An economy gains from female entrepreneurs of all ages. For example, young people have fresh ideas and in some societies have received more education than their parents (Amoros & Bosma, 2013:35). Older people are less open to novel experiences, but they rely on experience, contacts and financial resources built over long careers. Many previous studies (Ekinsmyth, 2013:531; Halkias et al., 2011:228; Itani et al., 2011:413; Jamali, 2009:239; Katongole et al., 2013:170; Rehman & Roomi, 2012: 214), indicate that most female entrepreneurs are in the age group 30 to 40 years. However, according to Amoros and Bosma, (2013:37) and Halkias et al. (2011:228) globally, the highest female entrepreneurial activity is within the age group 25 to 35 years, with greater exposure to the realities of a business. Figure 3.1 depicts information pertaining to the age of female entrepreneurs in Uganda.

**Figure 3.1: Age of female entrepreneurs in Uganda**

Adapted from: Namatovu, Dawa, Katongole & Mulira (2012:10)

Figure 3.1 shows that most female entrepreneurs are between the ages of 18 years to 34 years in Uganda. An important factor to note is that during these years, the females are
also starting families and bearing children (Mungyereza, 2014c:17). Therefore, an increase in responsibilities during this age group drives the urge to do small business to support the household. The older a female gets the more likely she will have been longer in business (Namatovu et al., 2012:10). In addition, a female’s education level and business experience can also affect their intention towards business growth as discussed in the following section.

### 3.4.2 Education level and business experience

Education is widely recognised as an engine for female empowerment and one of the most important determinants of her knowledge, attitudes, and entrepreneurial behavior (Mungyereza, 2014a:19). On the other hand, education attainment figures can show the gap between female and male’s current access to primary-, secondary- and tertiary-level education (Schwab, 2013b:5). Figure 3.2 shows the education level and literacy rate of adult females in Uganda.

**Figure 3.2: Literacy rate and education level of adult females in Uganda**

![Figure 3.2: Literacy rate and education level of adult females in Uganda](image)

Adapted from: Mungyereza (2014a:21, 24)
Figure 3.2 shows an increasing trend (49.3% to 53.7%) in the completion of primary education by adult females in Uganda. There was a slight increase in adult females without formal schooling (24.1% to 24.7%), and a decline (21.9% to 18.4%) in adult females with some or completed secondary education. With regard to females' secondary education level attainment, there is a declining trend from 4.7% to 3.2%. Further still, the overall female literacy rate has also slightly declined for adult females from 66 per cent to 65 per cent. This does not show a promising picture of females' education levels, with many being illiterate or having a low level literacy, which may restrict their entrepreneurial activities. The education and literacy trend in Uganda could also be attributed to culture which determines learned social behaviours, business and knowledge of female entrepreneurs (Rutto, Osano, Thuranira, Kurgat & Odenyo, 2013:5).

A study by Loscocco and Bird (2012:200) revealed that females with limited business education had fewer sales experience. This could be attributed to lack of business training, skills development opportunities and limited access to education (Goby & Ergul, 2011:333; Higgins, 2013:4; Roomi et al., 2009:279). With restricted access to education, future participation in the labour market is limited (Higgins, 2013:3; Jamali, 2009:234; Kim, 2014a:118). For these reasons, female business owners must take greater responsibility for their learning to improve entrepreneurial education, competency and literacy (Garwe & Fatoki, 2012:458). Entrepreneurial training empowers females to be knowledgeable about markets, networks and the best investment growth opportunities.

Entrepreneurial education builds females self-efficacy (Sullivan & Meek, 2012:446). Those who have more progressive attitudes are more highly educated, and female small business owners with more education have a competitive drive that is linked to higher sales (Loscocco & Bird, 2012:208). The education system can respond to the needs of female labour markets, avoid skills gaps and ensure availability of adequate human capital to support small business innovations (Schwab, 2013a:4).
Over time, females gain experience and knowledge in the sectors in which they operate their small businesses (Itani et al., 2011:413; Roomi et al., 2009:276). In their sectors female entrepreneurs possess technological know-how, integrate and promotion client growth knowledge for businesses to grow (Fumo & Jabbour, 2011:859; Singh & Belwal, 2008:120). As noted by Rehman and Roomi (2012:214), having more experience makes it easier for female business owners to manage the business as lessons often learned, translate into competent decision-making. Similarly, previous entrepreneurial experience avails information, knowledge and abilities, which allow the entrepreneur to solve new problems in an easier way to prevent business failure (Federico, Rabetino & Kantis, 2012:577; Robb & Watson, 2012:551). For instance, proper record-keeping depends on the training, education and experience of female entrepreneurs (Musah & Ibrahim, 2014:112). Aside from learning and professional development being critical to business growth, experience is a powerful weapon against female discrimination and ignorance (Davis, 2012:20). Experience enables the entrepreneurs to obtain the necessary competencies over a given period of time to be able to set business goals towards business growth.

Female entrepreneurs who possess these previously mentioned competencies are better equipped to grow their businesses (Arasti et al., 2012:86; Robb & Watson, 2012:550). Thus, female entrepreneurs with relevant academic qualifications and prior work experience perform well in business (Jamali, 2009:239). A female’s marital status can influence her level of involvement in entrepreneurial activities as discussed next.

### 3.4.3 Marital status

A study in Uganda conducted by Namatovu et al. (2012:10) revealed the marital status of female entrepreneurs as shown in Figure 3.3.
Figure 3.3: Marital status of female entrepreneurs in Uganda

![Pie chart showing marital status]

Adapted from: Namatovu et al. (2012:10)

Figure 3.3 shows that most (60%) female entrepreneurs in Uganda are married. A further 21.3 per cent of the females are single; ten per cent are separated, while 6.6 per cent are widowed and only 2.1 per cent divorced.

In a household situation, were a female is married and a mother, she is likely to be engaged in part-time employment (Verheul, Stel & Thurik, 2006:160). Sometimes, female entrepreneurs jointly identify new business opportunities with their husbands (Jamali, 2009:242). For instance, a married female usually seeks permission and support from her husband to conduct business (Ellis, Manuel, & Blackden, 2006:21). The support of the husband enables the female to balance her business and household schedules. However, due to different circumstances some females are single, separated, divorced and widowed. For instance, youths in Uganda view marriage as a social burden (Kasaija, 2012a:39). Therefore, in such circumstances they must survive and look after their families while struggling to grow the source of livelihood which is a small business. A female
entrepreneur’s family support may also influence the intention to grow her business as highlighted in the following section.

3.4.4 Family support

Ugandans aspire to a society with resourceful and stable family units to realise the vision of 2040 (Museveni, 2013:10). For this reason, it is the family’s responsibility to perform socialising and nurturing roles (Kasaija, 2012a:4). The legal sector registered significant improvement in the enactment of family justice legislation (Odoki, 2012:1). Katono (2011:380) asserted that the closer the family bond, the more positively it influences their entrepreneurial behaviour. Therefore, family support for a female entrepreneur may include coping with family size, assistance with family commitments and having a work-life balance (Inmyxai & Takahashi, 2011:462). A more detailed discussion on the role of family support follows.

3.4.4.1 Family size

Family size encompasses the female entrepreneur’s spouse, children, parents, siblings, in-laws, and the extended family members (Itani et al., 2011:418; Prasad, Naidu, Ehrhardt, Winkel, & Murthy, 2011:294). Most female entrepreneurs have at least two children under the age of 18 years and some caretaker responsibilities (Halkias et al., 2011:229; Itani et al., 2011:413; Jamali, 2009:239; Rehman & Roomi, 2012:214). In addition, the family is the most fundamental custodian for elderly persons in Uganda (Male-Mukasa, 2010:136) and care for sick or orphaned family members (Stevenson & St-Onge, 2005:5). The large family size is mainly due to the high fertility levels (over six children per female), and declining mortality levels (Mungyereza, 2014c:15). Vulnerability in Uganda is linked to life cycle events such as changes in household composition as it contributes to the decline in welfare for many families, for example, nearly two thirds of households that slid into poverty between 2005 and 2010 registered a significant increase in family size (Kasaija, 2012a:47). Hence the loss of parents implies that the orphans are
likely to be cared for by close female family members as dependants. In order to cater for the extended family, the growth of the female-owned small businesses is restricted.

### 3.4.4.2 Family commitments

Entrepreneurship enables females to multitask. They are wives, mothers, role models, mentors and business owners (Knorr, 2011:101; Itani *et al.*, 2011:410; Rehman & Roomi, 2012:212). Females depend on their businesses as a source of livelihood for survival for the family and entrepreneurial aspiration (Bekele & Worku, 2008:4). Female entrepreneurs are not aware of the vast business opportunities, and it is often difficult for them to find time in the midst of family commitments (Otafiire & Opio, 2009:6).

However, the commitment to the family within the community has changed dramatically with a lower marriage rate, postponed marriages, high divorce and birth rates (Verheul *et al.*, 2006:160). Therefore, the acceptance and support of the family, friends and community contribute to entrepreneurial fulfillment and career advancement of females (Knorr, 2011:10; Prasad *et al.*, 2011:296; Singh & Belwal, 2008:128). Despite all socio-economic and cultural changes, females are still responsible for a significant share of family and home responsibilities (Goby & Erogul, 2011:329; Heilbrunn & Davidovitch, 2011:128). Since the females’ roles go unnoticed to a great extent, coupled with the urge to care for their family, they operate small businesses to generate some income (Tushabomwe-Kazooba, 2006:30).

Moreover, when considering self-employment, females face higher opportunity costs than males, because of the role they play in the family (Koellinger, Minniti & Schade, 2013:215). Hence, meeting family needs, business flexibility and family support are critical tenets to the growth of female entrepreneurs (Rehman & Roomi, 2012:217). Female roles and obligations regarding their family’s wellbeing are more important than managing and growing business though they strive to have a work-life balance.
3.4.4.3 Work-life balance

Conventionally, females are actively involved in making decisions for the family and business affairs (Itani et al., 2011:416) and reconciling both is complex. This is aggravated by the negative male role, societal pressures and a perception that housework is minor (Eikhof, Summers & Carter, 2013:560; Itani et al., 2011:418; Jamali, 2009:243; Knorr, 2011:103; Roomi et al., 2009:279) which hinders advancement of female entrepreneurs. Family and business are significant aspects in any person’s life (Heilbrunn & Davidovitch, 2011:128).

In developed economies, parents combine business and family, enabling female employment, mutual childcare involvement, fair distribution of labour at home, better business-life balance for both female and male (Schwab, 2013b:20). Balance between work and family is one of the top drives for female entrepreneurs (Itani et al., 2011:416). Female-owned businesses have females spending more hours on housework, but fewer on business work (Loscocco & Bird, 2012:199). In doing so, female entrepreneurs feel satisfied if they can combine family life and business, build business confidence and improve profits (Itani et al., 2011:418).

Managing business and family becomes more difficult where females are expected to share the enormous responsibility of family care (Rehman & Roomi, 2012:210). Halkias et al. (2011:230) found that female entrepreneurs felt supported by their families, primarily a parent or husband, although faced with concerns especially when children need more attention, such as during times of illness. Itani et al. (2011:419) mentioned that, employing a house helper to reduce family unit pressures, setting better priority and time management, involving males in family responsibilities, seeking support from family members, allocating them duties, and looking for support from employees, enables the females to manage businesses better.
In Uganda, family tradition is the primary reason as to why females own small businesses (Male-Mukasa, 2010:149). Therefore, owners use family unpaid labour (Nshaho, 2011:33) and are not able to separate their business and family life (Tushabomwe-Kazooba, 2006:32). In business, female entrepreneurs start with small networks of close contacts, typically family and friends (Bogren, Friedrichs, Rennemo & Widding, 2013:63). The female entrepreneurs view their businesses as a cooperative network of family and the community relationships rather than as a distinct profit-generating entity (Munshi et al., 2011:157). Accordingly, a network that supports family issues contributes to females' sense of entrepreneurial fulfillment (Prasad et al., 2011:288). In a nutshell, if the business fails to meet family needs, it may lead to the breaking down of the family as an institution for social change (Kasaija, 2012a:4).

Therefore, it seems that female entrepreneurs can struggle to grow their businesses as their family size, commitments and balancing their work and life influence how much time they have available to manage and work in their businesses. Equally important to the growth of female-owned small businesses is the business age as discussed in the next section.

3.4.5 Business age
A business is risky in its first few years of operation (Robb & Watson, 2012:549), as a result most female-owned businesses do not survive for more than five to seven years (Blackburn et al., 2013:12; Rehman & Roomi, 2012:214). Newly established businesses experience low sales turnover and are not competitive (Loscocco & Bird, 2012:199). Robb and Watson (2012:549) supported this view that older businesses are more likely to survive than recently established businesses that have high chances of failing. Figure 3.4 presents the age of female-owned businesses in Uganda.
Figure 3.4: Age of female-owned businesses in Uganda

Adapted from: Namatovu et al. (2012:11)

Figure 3.4 shows that the majority 43 per cent of female-owned businesses was in existence for more than three years, followed by 32 per cent that were less than one year and 25 per cent that had been in existence between one to three years. According to the Ministry of Finance, Planning and Economic Development (2011:5) female-owned small businesses in Uganda are relatively young and in existence for between one and five years, with less than ten per cent in existence for more than 20 years. For this study, female-owned businesses that have been in existence for at least three years were surveyed.

3.4.6 Business formality

Business formality indicates the extent to which a business is institutionalised to meet its obligations. Small businesses owned by female entrepreneurs are a growing trend in today’s global economies (Piperopoulous, 2012:192) and their business status may take on different forms such as (Roomi et al., 2009:276):

- female owner only;
- female owner and operating head, and
• female owner only and decision-maker.

Most female businesses take the legal form of sole proprietorship with family members working in the business (Garwe & Fatoki, 2012:454; Itani et al., 2011:415). Therefore, they are informal, incur low compliance costs, easy to manage with unlimited liability (Halkias et al., 2011:232; Robb & Watson, 2012:550; Roomi et al., 2009:276; Ryder, 2014:102). Nonetheless, females face challenges in promoting their businesses because they are not formally legitimised in any identifiable form (Hossain et al., 2009:203). Simultaneously, female entrepreneurs build on specific advantages like personal benefits and the low cost of operation to decide whether to run a formal or an informal business.

In Uganda, the Directorate of Business registration is charged with business names registration for all forms of business ownership (Musumba, 2014:10). In February 2014, the directorate entered into joint operations with the Uganda Revenue Authority and Kampala City Council Authority to enforce business formalisation in the Central Region of Kampala. The enforcement facilitated a number of small businesses to register their operations. During the business formalisation process, female entrepreneurs are required to file certain documentations (employees, incomes, expenditure) that accompany the legislation procedures. Once fulfilled, female entrepreneurs are likely to employ competent staff that will enable the business to meet all its obligations and achieve its growth goals. For this study, female-owned small businesses that are registered with the authorities in Kampala, Uganda, will be considered formal businesses.

In addition to formality, business size will be discussed in the next section as an important issue that can influence business growth.
3.4.7 Business size

Size of the business may be determined using the number of employees and turnover (Itani et al., 2011:415; Robb & Watson, 2012:549). Therefore, with fewer employees, business growth is slow or non-existent in female-owned businesses. Albeit, these small or micro businesses require minimal investment (Robb & Watson, 2012:552) and tend to have a lower gross turnover (Loscocco & Bird, 2012:199). Most small business owners in Uganda are not willing to disclose financial and personal information (Bitature, 2008:5; Nshaho, 2011:104) because they are not aware of the available opportunities to enable them to grow. In 2010/2015 a National Small Business Survey of Uganda revealed the size of staff complement in female-owned businesses as presented in Figure 3.5.

Figure 3.5: Number of employees in female-owned businesses in Uganda

![Diagram showing the distribution of employees in female-owned businesses in Uganda](image)

Adapted from: National Small Business Survey of Uganda (2015:9)

Figure 3.5 revealed that many (38%) are micro businesses employing less than five employees, with 34 per cent employing five to 10 employees are small businesses, and only 27 per cent employing 11 to 20 employees. Most female-owned small businesses are flexible in management, have moderate capital needs and require average literacy for operating their business.
As can be seen in the previous discussion, it seems that female entrepreneurial characteristics, the female entrepreneur’s age, education level and business experience, marital status, family support, business age, business formality and business size could influence whether they have the intention to grow their businesses. It has been noted that most female entrepreneurs are married, operate a business before the age of 40 years which are the childbearing years, and they have relatively low education levels with minimal business experience. Most have young (only three years or less in existence) non-registered businesses which may be problematic if wishing to obtain capital needed for business growth. Therefore, only those very small businesses with an increase in number of employees since establishment were included as they were assumed to have a vision of growing their business. All these above demographics are interlinked and can play a significant role in shaping females’ motivations towards the growth of entrepreneurial businesses as indicated in the next section.

3.5 MOTIVATIONAL FACTORS TOWARDS FEMALE ENTREPRENEURSHIP

A female entrepreneur’s goal to grow a business could be determined by perceived desirability, feasibility and the propensity to act (Guzmán-Alfonso & Guzmán-Cuevas, 2012:723). Aramand (2013:70) added that female entrepreneurial motivation for business growth is due to the need for self-efficacy. Similarly, self-expression, becoming rich, progress in life, job creation and gaining internal stability are paramount motives for growing a business (Arasti et al., 2012:85).

Equally, copreneurship motivates females to start small businesses. Barnett and Barnett (1988) introduced the term “copreneur” to describe couples with joint ownership, commitment, and responsibility in a business (Helmle, Botero & Seibold, 2014:112). Copreneurs equally share the responsibility for the entrepreneurial business. O’Connor, Hamouda, McKeon, Henry and Johnston (2006:612) concluded that copreneurs tend to be well-educated; married with children; experienced in administration and product development. However, such female-owned businesses are likely to experience growth
if they are supported by a spouse. In addition to the existence of the above-mentioned motivational factors that may prompt female-owned small businesses to grow, there are also barriers such as industry gender biases that can restrict the possibility of growing their businesses.

3.6 INDUSTRY GENDER BIASES

In Uganda, the Ministry of Gender Labour and Social Development has the mandate to establish appropriate mechanisms, set standards, give support, coordinate, implement and monitor female related initiatives countrywide (Bumba, 2007:23). Although, the female’s status in the labour market is improving, gender disparity still exists (Ki-Moon, 2014:21). Forthwith, gender inequality is a concern and a fundamental element of human development (Malik, 2013:31). Even though in many countries the level of female entrepreneurship is rising, a gender gap in entrepreneurial activities persists. Therefore, it is imperative to identify particular gender-differentiated constraints that affect female entrepreneurs. For example, Higgins (2013:12) noted that Chambers of Commerce and Industry associations are mostly male-dominated. This limits female entrepreneurs from accessing vital trade information to enhance business growth (Spring, 2009:14). Such gender-related barriers impede economic potential of female entrepreneurs and competitiveness (Halkias et al., 2011:226).

Gendered differences in human capital and standards explain occupational segregation and gender wage gaps (Higgins, 2013:4). The literature on female entrepreneurship illustrates that female business ownership is concentrated in sectors that enable them to work part-time and also provide temporary labour (Aramand, 2013:78; Garwe & Fatoki, 2012:453; Halkias et al., 2011:228; Hossain et al., 2009:212; Jamali, 2009:239; Katongole et al., 2013:171; Rehman & Roomi, 2012: 214; Williams & Youssef, 2013:10). These include:

- primary and manufacturing such as craft making and stone quarrying;
- commerce/trade and repairs;
- education for teachers;
- health and social services such as clinics and counselling;
- personal service (consulting, auditing, insurance, travel, beauty-parlour, events management, tourism, webbing);
- wholesale and retail trade in fast moving consumer goods and agricultural products;
- food and beverage (bars/restaurants), and
- tailoring/clothing/apparel/boutique/garment industry.

Figure 3.6 depicts female entrepreneurship contribution to key sectors in Uganda.

**Figure 3.6: Female entrepreneurship contribution to key sectors in Uganda**

According to Figure 3.6, female entrepreneurial businesses contribute 48 per cent to the service sector, 34 per cent to the agricultural sector and only 18 per cent to the industry sector. Figure 3.6 indicates that the female-owned businesses make a great contribution to the Ugandan economy, but mainly to the service sector. Therefore, the sample of this study includes only small service and retail sector female-owned businesses. Most females choose self-employment in such sectors (Hossain et al., 2009:212; Williams &
Youssef, 2013:10). Males on the other hand are involved in construction, transport, storage and distribution, estate, renting and business service sectors (Williams & Youssef, 2013:10).

Similarly, Roomi et al. (2009:276) argued that the need for self-employment might be related to industry choice as females tend to own businesses in sectors that enable them to attend to their families. Females have tapped into the cultural visual arts and handicrafts and are mostly in the basketry, mats, ceramics, beads, pottery, hand-woven textiles and products, toys, jewelry, bags and ornaments, leather products, batik, wood carving and painting businesses. (World Bank, 2005:36). In addition, these businesses have great reliance on the female founder-manager (Spring, 2009:14) with minimal contribution to output and value addition (Singh & Belwal, 2008:124). Hence, their economic and social empowerment influences the distribution of resources to the household to benefit children and promote gender equality (Kim, 2014a:22). On the other hand, female entrepreneurs are also faced with limited market access and distribution networks, low product quality and dynamic working conditions which slow down female business activities (Federico et al., 2012:578; Fumo & Jabbour, 2011:458; Singh & Belwal, 2008:120).

Gender mainstreaming is advocated by all key stakeholders such as inclusion of females on water user committees both at central and local government though still low (Ministry of Water and Environment, 2009:138). Furthermore, gender issues are recognised through the provision of water to the urban poor through stand pipes, which help females who are mainly responsible for fetching water for the household (Kamuntu, 2013:80). This saves the females in the poor urban areas who do not have to move long distances anymore in search of water.

The existence of stereotypes entrenched in the gender structure and the concept of entrepreneurial activity is gender-biased in Uganda. The national employment policy for
Uganda promotes equality of opportunity for females and males (Opio, 2011:25). Gender influences the choice of business activity to be carried out (Armengot, Parellada & Carbonell, 2010:385). For this reason, integrating the gender dimension into the national strategy was a critical value capture that enabled both female and male participation in trade as an opportunity for economic empowerment (Otafiire & Opio, 2009:5).

It was found that in Uganda, males are more opportunity driven (focus on strategic businesses) while females are more necessity driven with a focus on current demands (Namatovu, Balunywa, Kyejjusa & Dawa, 2010:21). Furthermore, the gender gap in access, demand and attainment of education still exists though narrowing, females are still more disadvantaged compared to males particularly at the secondary school level (Mungyereza, 2012:12). The main causes for the gender gap are costs and inadequate/or lack of female sanitary wear and facilities at schools, pregnancy and culture. With low education and literacy levels, the most appropriate means to survive is self-employment.

Further still, females do not enjoy the same labour market opportunities as males. According to Eziakonwa-Onochie (2013:21) females work seven hours less a week on average than males in economic activities, but more in home care activities of:

- parenting;
- cooking;
- the collection of firewood;
- fetching of water;
- construction of own dwellings;
- farm building;
- milling, and
- food processing for own consumption.

Gender gaps are aggravated by a number of deep-rooted discriminatory traditions (Eziakonwa-Onochie, 2013:21). For example Uganda’s communities have a patrilinial
system in where a child’s belonginess is determined through the male lineage and land was bequeathed to male children despite the fact that females are instrumental in land cultivation and crop production (Mwesigye, Matsumato & Otsuka, 2017:3). For example, land acquisition in Uganda is mainly through inheritance, and it is believed that females do not inherit land or assets. Further to that, the males’ wages are doubled regardless of the type of work undertaken (Eziakonwa-Onochie, 2013:21). With the low pay generated female heads spend most of their incomes on the household, hence limiting investments in small businesses for growth.

The conditions that depict gender inequality in Uganda’s economy mainly include: disparities in access and control over productive resources like land, limited share of females wages, sexual and gender-based violence, limited participation in household, community and national decision-making (Museveni, 2010:96). Female entrepreneurs are disadvantaged in growing businesses because they do not own assets that they can use as collateral. For instance, spousal consent in Uganda is a legal requirement on all matters relating to land from which the family derives sustenance (Bbumba, 2007:5). Female business activities as individuals or groups are inherently connected to and determined by the culture in the different regions of Uganda. Cultural factors inhibit Ugandan females from realising their entrepreneurial potential. Females’ lack of control over productive resources and assets is a systemic issue; inequity in marital status and property ownership intersects with cultural attitudes and beliefs to create barriers to small business growth (Ellis et al., 2006:21). Furthermore, the imperative to control females is embodied in the question, “how can property own property?”, is underpinned by the fear that females will become promiscuous and indulge in extramarital affairs if allowed to work. Males express the view that females will become “uncontrollable,” “unmanageable,” “unruly,” or disrespect males if they gain economic independence.

From this section it can be seen that the gender-differentiated constraints in the form of social-, economic- and cultural discrimination affect female entrepreneurs. Therefore,
most female entrepreneurs in Uganda are concentrated mainly in the service sector followed by agriculture and a few in the industry sector. The service sector enables them to attend to their families and operate their businesses.

Within a specific business industry are networks that are vital for female entrepreneurial activities. Over the years, scholars have recognised the importance of networks as resources for business growth (Bogren et al., 2013:61). In the next section, types of networks used by female entrepreneurs will be discussed.

3.7 TYPE OF NETWORKS FEMALES USE
Goby and Erogul (2011:333) underpinned the importance of networks for females within different societies practicing gender segregation where the establishment of culturally appropriate networking systems enhances female entrepreneurship success. Rosenthal and Strange (2012:772) explained that industries that have easy access to business networks have vast opportunities. Female entrepreneurs view their small businesses as a cooperative network of family and community relationships rather than as a distinct profit-generating entity (Munshi et al., 2011:157). Hence, female entrepreneurs who are comfortable and competent at reaching outside their existing network boundary can expand their sphere of control and influence (Ekinsmyth, 2013:528; Hampton et al., 2011:600).

However, networks can also impede female entrepreneurial activities (Minitia & Naude, 2010:282). At times, female entrepreneurs benefit less from agglomerated locations with less wealthy professional networks (Rosenthal & Strange, 2012:764). When female entrepreneurs are less networked, they are not aware of the different business opportunities (Rosenthal & Strange, 2012:769).

Given the above benefits and challenges, female entrepreneurs participate in different types of networks for business growth aspirations (Hampton et al., 2011:600). Ekinsmyth
(2013:537) established that female entrepreneurs use formal and informal networks in the quest for information to improve on their business activities. Primarily female entrepreneurs start with small networks of close contacts, typically family and friends (Bogren et al., 2013:63). Once they acquire the necessary information, skills and resources, they expand into more formal networks with suitable people for business advice and discussions as shown in Figure 3.7.

**Figure 3.7: Informal and formal networks for female entrepreneurs**

![Informal and formal networks for female entrepreneurs](image)

Adapted from: Bogren *et al.* (2013:63); Munshi *et al.* (2011:157)

A discussion of informal and formal networks follows.
3.7.1 Informal networks
The initial decisions of business operations, mobilising resources, obtaining support and developing a business often relies on the female entrepreneur’s informal sources and personal network (Piperopoulos, 2012:196). Accordingly, a network that supports family issues contributes to females' sense of entrepreneurial fulfillment (Prasad et al., 2011:288). Females also use expressive network links for friendship and support (Bogren et al., 2013:61). These may be online social and local face-to-face networks for maintaining relationships (Ekinsmyth, 2013:537) and accessing information and resources (Knorr, 2011:102; Minniti, 2010:301).

Notwithstanding the relevance of informal networking, Rehman and Roomi (2012:222) noted that females have less networking opportunities because of the societal mindset and gender bias. As a result, they use nurseries, playgroups, school gates, swimming pools, churches, parks, community halls, homes, streets, and mobile technologies as avenues for networking (Ekinsmyth, 2013:534). Such network avenues enable females to exchange ideas, experiences and also promote female entrepreneurship.

As shown in Figure 3.7, informal networks seems to be the starting point for female entrepreneurs as they search for knowledge and information to grow their entrepreneurial ideas especially the small businesses. As they grow their small businesses, female entrepreneurs join formal networks as discussed in the next section.

3.7.2 Formal networks
According to Durbin (2011:93), formal networks are business-related and are relatively easy to identify. Professional female's networks that incorporate both inter-organisational and cross-industry networks are a growing trend amongst females. Hampton et al. (2011:599) and Prasad et al. (2011:295) added that engaging in mixed gender (heterogeneous) networks is essential for their long-term business prospects. Similarly,
female entrepreneurs also use instrumental network relations for advice and insight into a small business (Bogren et al., 2013:61).

Although the networks vary in types, they share a common goal of information sharing (Knor, 2011:102). The feminist empowerment paradigm promotes networking to support self-employed females (Braidford, Stone & Tesfaye, 2013:145). Thus, female entrepreneurial networks are one of the essential resources a small business can leverage for growth (Higgins, 2013:12). According to Basaza (2012:26), females network during exchange programmes, trade shows, business forums, seminars and conferences to be able to access valuable business resources, promote female-owned businesses and increase their credibility beyond Uganda’s borders. Social networks in Uganda also develop strategies focusing on removing barriers to female participation in the economy (Kasaija, 2012a:88).

The discussion shows that female entrepreneurs naturally start with the informal networks to nurture their business ideas. Once they gain the required information, they search for formal specialised or business specific networks for greater business growth. As they join the formal networks, female entrepreneurs continue to use the informal networks as a source of business reference.

3.8 SUMMARY
The main objective of this chapter was to examine the concept of female entrepreneurship. This was achieved by discussing in detail the evolvement of female entrepreneurship, a background to female entrepreneurship in Uganda, female entrepreneurial characteristics, demographics influencing female entrepreneurs, motivation factors towards female entrepreneurship, industry gender biases and types of networks used by females.
The evolvement of female entrepreneurship over time has been due to issues concerning females and entrepreneurship worldwide. This lead scholars to identify three main approaches of female entrepreneurship referred to as liberal feminism, social feminism and poststructuralism. Also the female entrepreneur, her enduring and self reinforcing personality characteristics are key tenets that enable her to grow an entrepreneurial business.

Further still, the demographic factors in terms of the female entrepreneur’s age, education and experience, marital status and family support enable one to better understand the female entrepreneur. It has been noted that most female entrepreneurs start a business before 40 years of age, and benefit more from entrepreneurial education, training and past experiences. Females’ marital status coupled with family support, business age, formality and size influence her level of involvement in business.

It was also noted that both pull (positive) and push (negative) factors motivate female entrepreneurial business participation globally. Females’ different responses to these motivational factors propels them to search for vast global business opportunites hence growing their businesses.

The existence of industry gender biases have enabled females to operate mainly in the service sector that enables them to also cater for the families as they grow their businesses. Lastly, the use of informal and formal networks by female entrepreneurs avails them with information and resources that facilitate the growth of their small businesses.

The subsequent chapter will discuss the Ugandan business environment in detail.
CHAPTER FOUR
THE UGANDAN BUSINESS ENVIRONMENT

4.1 INTRODUCTION

In Chapter Three, an overview of female entrepreneurship was presented. It entailed discussing the evolvement of female entrepreneurship. A brief background to female entrepreneurship in Uganda was also provided. The chapter also discussed female entrepreneurial characteristics, demographics and motivation factors influencing the growth of female-owned businesses. Industry gender biases that could hinder business growth of female-owned businesses were also highlighted. The types of networks female entrepreneurs use to grow their small businesses were indicated.

Uganda, officially the Republic of Uganda, is landlocked with a surface area of 241,550.7 square kilometers (Male-Mukasa, 2012:1) lying astride the equator in East Africa in the sub-Saharan African Region (Malik, 2013:198). The 1995 constitution established Uganda as a republic with executive, legislative, and judicial branches (Pepper, 2010:5). The capital city of Uganda is Kampala. The major languages used by the people are English (official), Swahili (official), Luganda, various Bantu and Nilotic languages. Uganda is significantly bordered to Kenya in the East, Democratic Republic of the Congo in the West, South Sudan in the North, Tanzania in the South and Rwanda in the Southwest (Nikyema, 2007:19).

Chapter Four presents the Ugandan business environment. The SMME business environment in Uganda will first be highlighted. Thereafter, background to the Ugandan business environment in terms of the political/legal-, economic-, socio demographic-, technological-, and ecological environment will be elaborated on.
4.2 UGANDAN SMME ENVIRONMENT

Globally, SMMEs are generally regarded as the driving force of economic growth, job creation, and poverty reduction in developing countries (Fumo & Jabbour, 2011:849; Naidu & Chand, 2012:245; Okpara & Wynn, 2007:24, Urban & Naidoo, 2012:148). Business activities of SMMEs in the private sector, are considered to be the engine for socio-economic transformation in Uganda (Kyambadde, 2015:1). However, the government-private sector relations in Uganda have been characterised by poor communication from government and an inadequate engagement of key private sector actors in priority issues (Private Sector Foundation Uganda, 2012:84). As a result, this exerts pressure on the Ugandan business community and breeds an unstable and complex operating environment requiring entrepreneurs to carefully and systematically assess the environment to be able to survive and grow. Therefore, in the next section the Ugandan SMME environment will be discussed with focus on the nature of SMME classification, trend, regional spread of businesses and sectorial spread of SMMEs.

4.2.1 SMME classification in Uganda

According to Kyambadde (2015:2), globally, SMMEs are officially classified on the basis of the number of full-time employees, capital investment or total assets and annual sales turnover of the business. A micro business employs not more than five people, with total assets not exceeding a maximum ten million Ugandan shillings. A small business employs from five to 49 people, with total assets between ten million but not exceeding 100 million Ugandan shillings. A medium business employs from 50 to 100 people, with total assets more than 100 million Ugandan shillings, but not exceeding 360 million Ugandan shillings. Figure 4.1 depicts the business concentration of SMMEs in Uganda.
Figure 4.1: SMMEs concentration in Uganda

As can be seen in Figure 4.1, in Uganda the majority, 71 per cent, are micro businesses only a few, 18 per cent, are small businesses and the least, 11 per cent, are medium businesses. This implies that businesses hardly grow to transform from micro to small or even medium-sized businesses. This study will focus on small businesses that are growth-oriented. These SMMEs are spread in different regions with varying trends across the country.

4.2.2 Trend and spread of SMMEs in Ugandan regions

In Uganda SMMEs are spread in all regions with varying trends as shown in Figure 4.2.
Figure 4.2: Trend and spread of SMMEs in Uganda’s regions in (%)

Figure 4.2 shows that half of the businesses in Uganda are found in the Central region, though in 2014/2015 it experienced a decline in business growth. This is followed by the Western region with more businesses that are growing. Next is the Eastern region with few businesses on a declining trend. The Northern region has the least number of SMMEs, but slight growth. The variance in businesses in the different regions may be explained by regional dynamics and past political insecurity in rural areas (Ojwok, 2008:9). Hence, most SMMEs are concentrated in the urban areas of the Central region, particularly Kampala (Ministry of Finance, Planning and Economic Development, 2011:4).

The accurate total number and details of SMMEs in Uganda is unknown because many are informal, without premises and are excluded from formal counting processes used by relevant institutions (Stevenson & St-Onge, 2005:6). For instance, the 2009/2010 Uganda National Household survey conducted by the Uganda Bureau of Statistics revealed that 1.2 million households had an informal business (Male-Mukasa, 2010:142).
The 2010/2011 business establishments’ census report by the Uganda Bureau of Statistics revealed that in 2011, there were 458,106 businesses in the country (Male-Mukasa, 2011a:26). In the same year, the National SMME policy draft estimated that there are 1,100,000 SMMEs in Uganda (Ministry of Finance, Planning and Economic Development 2011:4). Further still, the Uganda Registration Services Bureau (URSB) in 2012 reported that 24,040 businesses were registered (Musumba, 2012a:10).

The data at the URSB is not yet computerised to be accessible by the public. Despite the differences in numbers of SMMEs by government agencies, it is of interest to note that the Uganda Bureau of Statistics is a semi-autonomous body under the Ministry of Finance, Planning and Economic Development. There seems to be much information available, but with differing figures on the state of the SMME sector in Uganda and poor inter-institutional coordination which affects service delivery to the SMME sector. This may influence the chances of business growth. Figure 4.3 shows the trend of business growth in Kampala.

**Figure 4.3: Growth trend of businesses in Kampala**

Over the years Kampala had the highest number of business in the Central Region. However, the 2014/2015 National Small Business Survey of Uganda revealed that there was a decrease in the number of businesses by 10.8 per cent with no growth in employment size since the 2011/2012 Census of Business Establishments. This study only focuses on businesses that are growth-oriented found in Kampala in the Central Region. It is also important to indicate the spread of SMMEs entrepreneurial activities in the different sectors in Uganda.

4.2.3 Sectorial spread of SMMEs’ entrepreneurial activities
The Ugandan economy is categorised into three key sectors, namely (Mungyereza, 2014b:61):

- The agriculture sector with SMME involved in the growing of cash crops and food crops, rearing livestock, forestry and fishing activities;
- The industry sector with SMME activities including mining and quarrying, manufacturing electricity supply, water supply and construction, and
- The services sector with SMME activities focusing on wholesale and retail trade; repairs, hotels and restaurants, transport and communications, posts and telecommunications, financial services, community services (public administration, education and health), other personal and community services (theatres, cinemas, dry cleaning, houseboys and girls, barbers and beauty shops).

The National Small Business Survey of Uganda in 2015 assessed the nature and scope of SMMEs and revealed that they are spread in different entrepreneurial activities as presented in Figure 4.4.
Figure 4.4: SMME entrepreneurial activities in Uganda (%)

Source: National Small Business Survey of Uganda (2015:10)
Figure 4.4 shows that SMMEs are mostly involved in crop and animal production activities (15%), food and beverage service activities (10.8%) and retail trade activities (10.6%). Okello-Obura (2012:455), confirmed that most entrepreneurs are engaged in these sectors because it requires simple production techniques, limited access to finance, and requires low skills and education levels. This study will focus on female-owned businesses involved in retail and service sectors. The agricultural sector (crop and animal production activities) has other business challenges specific to just their sector such as being dependent on climate and weather and for these reasons were excluded from the study survey. The businesses chosen for this study are of such a nature that their small business growth barriers could be assumed similar in nature.

The sectors in which SMMEs operate also influence their business format which in turn could restrict business growth. The business format of SMMEs in Uganda are presented in Figure 4.5.

**Figure 4.5: SMME business formality in Uganda (%)**

The National Small Business Survey report revealed that the business form of SMMEs in Uganda is spread across different categories as depicted in Figure 4.5. In the sole proprietorship form, most 80.1 per cent are micro businesses, 62.4 per cent small businesses and 51.7 per cent medium-sized businesses. This is followed by the private limited company form where most (24.2) per cent are medium-sized businesses, 15.4 per cent are small businesses and only 8.4 per cent are micro businesses. Within the partnership form 15.6 per cent are medium-sized businesses, 13.3 per cent small businesses and only 7.7 per cent micro businesses. Cooperatives, other businesses and public limited SMMEs are very few in Uganda.

From Figure 4.5, it can also be seen that most small businesses in Uganda are in the form of sole proprietorships (62.4%), followed by private limited company (15.4%) and partnerships (13.3%), cooperatives (4.7%) and only 1.8 per cent publicly listed companies. Regardless of the size they use all business formats. To provide more background on the environment in which SMMEs in Uganda operate, the general Ugandan business environment will also be discussed.

4.3 GENERAL UGANDAN BUSINESS ENVIRONMENT

The Ugandan economy continues to be shaped by general environmental factors (African Development Bank, 2010:2). The external environment includes the factors that are largely uncontrollable and cannot be changed in the short-term by policy makers and entrepreneurs (Olawale & Smit, 2010:1791). According to the Global Entrepreneurship Monitor (GEM) report, nine important external entrepreneurial business environment conditions have been identified as affecting businesses in Uganda (Singer, Amoros & Moska, 2014:57). These include:

- access to financial resources;
- the extent to which government policies support entrepreneurship;
- the existence and quality of government entrepreneurship programmes directly assisting businesses at all levels (national, regional, municipal);
the extent to which entrepreneurship training in managing SMEs is incorporated within the education and training system at all levels;
the extent to which national research and development leads to new commercial opportunities and is available to businesses;
the presence of commercial and legal infrastructure like property rights, commercial, accounting and other legal and assessment services and institutions that promote business growth;
market openness with the extent to which businesses are able to enter international markets;
ease of access to physical infrastructural resources of communication, utilities, transportation, land or space - at a price that does not discriminate against SMEs, and
the extent to which social and cultural norms encourage or allow actions leading to business growth methods or activities that can potentially increase personal wealth and income.

Based on these findings and those of other studies (Hashi & Krasniqi, 2011:462; Mason & Harris, 2006:565; Ondersteijn, Giesen & Huirne, 2006:211) on the external Ugandan environment, the following sections further examined the Ugandan business environment in terms of the political-legal-, economic-, social-demographic-, technological-, and ecological environments (PESTE) as depicted in Figure 4.6. The PESTE analysis allows identification of the environment in which a business operates and provides data and information that will enable the business to predict situations and circumstances that it might encounter in future (Yuksel, 2012:53)
In the sections that follow these factors influencing the business environment in Uganda will be discussed in greater detail.

4.3.1 Political-legal environment
The political- and legal environment relates to the pressures, opportunities, laws, regulation and legislation brought by institutions and to what degree the policies impact business (Indrawati, 2014:5; Ministry of Finance, Planning and Economic Development, 2011:6; Pepper, 2010:4). Therefore, assessing the political-legal environment is an important feature in determining small business growth in an economy as highlighted in the following sections in terms of the political climate, regulatory structure and business governance.

4.3.1.1 Political climate
Uganda adopted multi-party politics in 2003 and is to some extent politically established (African Development Bank, 2010:2; Okello-Obura, Minishi-Majanja, Cloete, Ikoja-Odongo, 2008:369). Ever since then the National Resistance Movement party has been the dominating force and ruler of the country. Namatovu et al. (2010:18) pointed out that
Uganda experiences political uncertainty during elections. Tushabomwe-Kazooba (2006:32) added that politics influences customers who choose to support people in the same political party that they belong to during elections, irrespective of the quality of the services provided. The political costs are high in Uganda because politics and business are increasingly intertwined (Lambright, 2014:58). In addition to the political climate, the regulatory structure as discussed in the next subsection also affects business operations.

### 4.3.1.2 Regulatory structure

Uganda’s regulatory structure is centered on legal and administrative frameworks of central government (Pepper, 2010:4) within which individuals, businesses and government interact to generate wealth (Schwab, 2014:4). The government of Uganda is at the forefront of improving the business environment through various institutions (Nshaho, 2011:37). According to Pepper (2010:18), the core legal and administrative institutions involved in the regulatory process in Uganda are:

- the Ministry of Justice and Constitutional Affairs which can be consulted on legal issues arising from policies and whether legal resources will be available to implement the initiative;
- the Ministry of Finance, Planning and Economic Development which can be consulted on draft policies, laws and regulations affecting the budget and fiscal policy, and
- the Ministry of Public Service which can be consulted on the implications of the proposed policy for the civil service and human resources required for implementation.

Therefore, the core legal and administrative institutions are responsible for providing policy direction to the different public and private agencies. The coordination of these institutions during the regulatory process is important for creating an environment conducive for business growth in different sectors in Uganda.

Over time the Ugandan government developed several policies and implemented some that have empowered the people (Nikyema, 2007:19). It is also important to note that
some of the recent policies target private sector growth (Oling, Rwabizambuga & Warren-Rodriguez, 2014:7). Therefore, the multi-sectoral nature of businesses in Uganda necessitates the development of different policies to foster business growth (Ministry of Finance, Planning and Economic Development, 2012:6). These include among others:

- The Uganda Micro, Small and Medium Enterprises policy whose primary objective is to provide a framework that aligns all the previous efforts by different players, so as to meet the aspirations and objectives of government’s development agenda (Kyambadde, 2015:12);
- The National Trade policy with the ultimate objective of creating wealth, employment, enhancing social welfare and transforming Uganda from a poor peasant society into a modern and prosperous society (Museveni, 2008:11). This enabled the implementation of schemes such as "Entandikwa" and "Bona Bagagawale" (Prosperity for All) to benefit citizens of the country. These have improved household livelihoods, though they had implementation challenges;
- The National Land policy with the goal to ensure an efficient, equitable and optimal utilisation and management of Uganda’s land resources for poverty reduction, wealth creation, and overall socio-economic development (Migereko, 2013:9). In 2012/2013, Uganda digitalised the land registry, reducing time to transfer property (Indrawati, 2014:88). This enables entrepreneurs to own land and also be able to use the land as a resource for more growth opportunities;
- The Uganda Gender policy with the major goal to achieve gender equality and female empowerment as an integral part of Uganda's socio-economic development (Bbumba, 2007:14);
- The Public-Private Partnership Act which was accented to in 2015 (Museveni, 2015). This act presents a window for small businesses to partner with government to strengthen their investments, and
- The National Employment policy with the goal to ensure productive and decent employment for all females and males in conditions of freedom, equity, security and human dignity (Opio, 2011:23).
The above policies are among those that provide females in Uganda inclined to grow their businesses, a favourable business environment directed by business regulations. The business regulations that promote the possibility for business growth are registration and licensing. They also encourage female entrepreneurs to meet their obligations while exploring vast growth opportunities as discussed in detail in the next subsections.

a) Business registration

It is the mandate of the Uganda Registration Services Bureau (URSB) under relevant laws to ensure all businesses operating in the country are registered (Musumba, 2012b:2). However, because of the obstacles to registration most small businesses are not registered (Mayoka & Balunywa, 2012:118). As a result, in February 2014, the URSB entered into joint partnership with Uganda Revenue Authority (URA) and Kampala Capital City Authority (KCCA) to enforce business formalisation in Kampala (Musumba, 2014:14). The partnership enabled the registration of over 14,200 businesses and revenue collection of USD 113,333 from February 2014 to December 2014. Businesses that are not registered with the authorities find it difficult to gain access to diverse growth opportunities from government, non-governmental organisations and the private-sector projects at large. This limits their propensity to sustainable business growth.

Hence, upon business registration, a certificate of registration is issued once. It is a key requirement when the entrepreneur wants to obtain a business license from the area of operation. In the next subsection, the purpose of a business license will be discussed.

b) Business licensing

Business licensing is the deliberate testing of the suitability of the business, legitimises business activities and ensures businesses operate within set rules and regulations (Nshaho, 2011:73). A business license is the authorisation for any business activity to operate which includes all licenses, authorisations, certificates, permits, levies and fees imposed on business activities by any regulatory authority at central and local government
The majority of business licenses are processed and issued in the Kampala Capital City, which requires entrepreneurs to make several trips to submit required paperwork to obtain necessary licenses (Ssendaula, 2012:6). An entrepreneur is required to pay annual fees depending on the area of operation and business category. After assessment and upon payment, a trading license certificate is issued (Kampala Capital City Authority, 2014:1). In addition to a business registration certificate and business license, businesses are also required to register for tax compliance. However, Uganda does not have a clear national tax policy for small businesses (Sebikari, 2014:13).

In addition to political climate and regulatory structure, governance is a key dimension within the political-legal environment that affects small business growth as discussed in the next section.

4.3.1.3 Governance
Governance is defined as the traditions, institutions, and policies by which authority in a country is exercised which sets out the nature of responsibility (Kaufmann, 2009:1; Nkundabanyanga, Tauringana, Balunywa & Emitu, 2013:67; Transparency International, 2013:44). Uganda, adopted a decentralised system of governance in which several functions were ceded to the local governments (Male-Mukasa, 2011b:2). The decentralised system of governance facilitates the reach of services to the wider range of the businesses in different regions. It can be noted that there is an increasing appreciation within the business community in Uganda about the importance of doing business ethically (Wandera, 2013:6). Good governance enables businesses to reduce the costs of doing business, thereby facilitating their growth.

To conclude, Uganda’s political-legal environment entails a relatively stable multi-party political climate. The political complexity and legal pluralism in the country adversely affects the successful implementation of private sector oriented policies and the overall
business growth. The coordination of the core legal and administrative institutions during the regulatory process creates a conducive business environment for entrepreneurs. In addition, the decentralised system of governance enables entrepreneurs to obtain services from the respective government agencies. In addition to the political-legal environment, is the economic environment that also influences business growth in Uganda as discussed in the subsequent section.

4.3.2 Economic environment
The economic environment in Uganda is characterised by changes in real economic activity, monetary policy, interest rates, monetary aggregates, and private sector credit, fiscal policy, external sector development and exchange rates (Bank of Uganda, 2013:14; Mungyereza, 2013:58). These external factors in a business’s market influence how businesses operate and make growth decisions. The following sections will explore Uganda’s economic environment in terms of economic growth, inflation rate, exchange rates and import and export trade.

4.3.2.1 Economic growth
Economic growth is an increase in the production and consumption of goods and services. Entrepreneurs of established businesses are at the center stage in the production of these goods and services. Further still, the entrepreneurs ensure that the market can access the goods and services and consume them. This exchange facilitates growth of various economic activities and in the long run economic growth. In Uganda, economic management is guided by the Economic Policy Support Instrument, which focuses on macroeconomic stability and sustainable economic growth (African Development Bank, 2010:4; Pepper, 2010:2; Private Sector Foundation Uganda, 2012:33). Policy instruments are geared towards improving the business environment (Fox & Pimhidzai, 2011:27; Verbeek, 2010:2). Some of the key economic recovery and growth reforms that have been implemented according to Museveni (2010:10) are the successful implementation of trade policy reforms in Uganda on three accounts namely:
• exports expanded in terms of traditional and non-traditional exports;
• the number of trading partners have also increased significantly, and
• exports expanded for manufactured products, as well in terms of a percentage share of GDP.

As a result of consistent economic reforms, Uganda has experienced remarkable transformation in trade patterns and overall business environment, with a shift from public to private sector investment (Bank of Uganda, 2013:16). By the end of 2015, Uganda’s GDP had risen to 74 billion Ugandan shillings (Mungyereza, 2015:222). Growth in GDP provides important foundations for ascertaining features of entrepreneurship activities in an economy. According to the entrepreneurial activity ranking provided by the Global Entrepreneurship Monitor in 2014, Uganda was the leading economy with the most established businesses in the world (Singer et al., 2014:35). To some extent the country’s economic performance of businesses has been facilitated by the international donor community and led to high growth rate, increased participation from the private sector and reduction in poverty (Barkan, 2011:8; Kaberuka, 2013:10). The economic growth and entrepreneurial activity created a favourable business environment for business growth. As shown in Figure 4.7, Uganda’s continuous economic growth rate has been fluctuating for the last six years.

**Figure 4.7: Uganda’s GDP constant at market prices (%)**

![GDP Chart](image)

Source: Mungyereza (2014b:61)
In 2009/2010 and 2010/2011 the economy experienced a 5.9 to a 6.6 per cent growth rate respectively, but experienced a decline of 3.4 per cent in 2011/2012. However, in 2012/2013 the economy recovered with six per cent growth principally due to reduced excess liquidity in the economy and secure management of fiscal and monetary policies (Ministry of Finance, Planning and Economic Development, 2013:20). In 2013/2014 the economy grew slightly at a 4.7 per cent lower rate.

The economic growth presents considerable opportunities for the business sector in Uganda. Economic growth shows an increase in entrepreneurial activities and entrepreneurs’ confidence in the system to expand operations that simulates the growth of their businesses in the different sectors. Certainly, the variations in the overall GDP trends could be brought about by entrepreneurial activities of businesses in the key sectors as presented in Figure 4.8.

**Figure 4.8: Uganda’s growth rate in key sectors (%)**

![Graph showing growth in key sectors](image)

Source: Mungyereza (2014b:210)

Figure 4.8 shows that the economy registered growth in all the key sectors, but at different levels. Over the five years from 2009/2010 to 2013/2014 the services sector has been
leading in its contribution to the economic growth of the country. This is followed by the industry sector and lastly the agricultural sector. For this reason the study focuses on small businesses with growth potential in the services and industry sectors.

In addition to economic growth, it is also imperative to discuss the influence of interest rates as a key factor within Uganda’s economic growth and how it affects business growth.

### 4.3.2.2 Interest rates

In Uganda, interest rate decisions are taken by the Bank of Uganda. The Bank of Uganda’s official interest rate is the Central Bank Rate. Uganda’s economic situation has improved in the past two years and this has sparked the Bank of Uganda to continue to align policies with respect to the determination of the interest rate, known as the Central Bank Rate (Mungyereza 2014b:78). Hence interest rates affect a business’s cost of capital and, therefore, to what extent a business grows and expands.

In the next section, the inflation rate will be discussed as one of the elements of the economic environment in Uganda that influences business growth.

### 4.3.2.3 Inflation rate

Inflation is the measure of the relative changes in prices of all goods and services in the consumption basket (Mungyereza, 2013:63). In 2011, the Bank of Uganda instituted the Inflation Targeting-Lite framework and the implementation resulted in a decline in inflation over the years (Tumusiime-Mutebile, 2015:25) as can be seen in Figure 4.9.
In 2014/2015 a lower inflation rate of 2.7 per cent was registered due to the low global commodity prices, declining domestic food prices and global inflation (Tumusiime-Mutebile, 2015:1), compared to a 5.2 per cent inflation rate recorded in 2013/2014, as shown in Figure 4.9. Mungyereza (2014b:66) added that the drop in inflation rate in 2014 recorded was due to low price changes in commodities, relatively stable exchange rate and stable fuel prices in 2015. To further maintain the inflation rate, the Bank of Uganda adopted the Central Bank Rate to stimulate economic activities (Tumusiime-Mutebile, 2015:65). This shows confidence in the country’s economic management which is an indication of the soundness of Uganda’s economic foundation for continued business growth (Ministry of Finance, Planning and Economic Development, 2013:29; Okello-Obura, 2012:447).

Therefore, due to inflation management in Uganda, the country has enabled businesses to increase their inputs due to high operation costs which could facilitate them to focus on growing their businesses. The decline in inflation is closely associated with the trend of the exchange rate in Uganda.

In the next section, the exchange rate will be discussed as another element of the economic environment in Uganda that could influence business growth.
4.3.2.4 Exchange rate
Uganda has experienced a strong and stable macroeconomic environment characterised by a stable foreign exchange rate (Ministry of Finance, Planning and Economic Development, 2011:5). The average exchange rate (sh/US $) ranged from 2557 in 2009 to 2852 in 2015 (Tumusiime-Mutebile, 2015:57). A stable exchange rate allows gradual changes in demand and supply of foreign exchange by the business community (Ministry of Finance, Planning and Economic Development, 2013:20). During the export and import of goods and services, the foreign exchange rate is used to determine the final price which influences the market demand and supply. In addition, a stable exchange rate creates significant advantages to the growth of the financial sector resources. This enables the business community to access financial resources for business growth.

In the next section the export and import trade will be elaborated on.

4.3.2.5 Export and import trade
Uganda’s exports are a small share of its GDP, partially because it is landlocked by other low income countries with similar trade patterns (Anderson & Mensbrugghe, 2007:530). Being a landlocked country, regional integration is critically important to Uganda. Coffee is the main export while petroleum and petroleum products registered as the highest imports (Mungyereza, 2014c:72). Uganda mainly exports its products to regional markets (Ministry of Finance, Planning and Economic Development, 2013:43) such as the East African Community and Common Market for Eastern and Southern Africa with similar development levels (Kaberuka, 2011:67; Anderson & Mensbrugghe, 2007:530). This affects the competitiveness of Uganda’s products and services in the region. Economic integration with neighbouring countries represents significant opportunities for small business entrepreneurs in Uganda. As a landlocked and developing factor-driven country, access to regional customers and facilitation to reach the port amenities in Kenya and Tanzania are direct benefits to entrepreneurs. Beyond the region, Uganda’s main trading partners within the Asian continent are India, China and Japan (Mungyereza, 2013:70).
Over time, Uganda is endeavoring to create a comfortable trading environment for entrepreneurs to do business with their global partners (Indrawati, 2014:107). However, the growth of exports and imports is still slow as presented in Table 4.1.

Table 4.1: Export and import growth rates

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</thead>
<tbody>
<tr>
<td>Growth in exports (%)</td>
<td>15</td>
<td>8.1</td>
<td>-7.5</td>
</tr>
<tr>
<td>Growth in imports (%)</td>
<td>2.1</td>
<td>6.0</td>
<td>15.5</td>
</tr>
</tbody>
</table>

Source: Mungyereza (2015:77)

It can be observed that exports declined from 15 per cent in 2012/2013 to 8.1 per cent in 2013/2014. While imports increased from 2.1 per cent in 2012/2013 to 6 per cent in 2013/2014. These could mainly be attributed to the fact that Uganda mainly exports low value unprocessed agricultural products, but imports high value products. Therefore, Uganda’s exports have continuously declined while the imports are growing. The decline in exports explains the slow growth of businesses while an increase in imports creates competition for the indigenous business, stifling their growth.

In conclusion, Uganda’s stable economic growth, coupled with reduced inflation, a stable exchange rate, and unfavourable export and import trade activities influence the growth of small businesses.

In the next section, the socio-demographic environment in Uganda influencing business growth will be discussed.

4.3.3 Socio-demographic environment

The socio-demographic environment is comprised of the population, culture, education, health and water and sanitation infrastructure (Museveni, 2010:20) which will be elaborated on in detail in the Ugandan context. When discussing the social-demographic
environment, the study focused on Uganda’s culture, population structure, employment status, education and health issues and how they influence business growth.

4.3.3.1 Culture

Culture refers to the ways in which a society preserves, identifies, organises, sustains and expresses itself (Bbumba, 2006:7; Museveni, 2010: 208). Uganda is a country with diverse cultures and several ethnicities. There are 17 ethnic tribes, 45 individual languages and dialects with English as the official language (Altinyelken, Moorcroft & Van der Draai, 2014:92). Other widely spoken languages include Luganda and Swahili. The main business language used countrywide is Luganda and English and then the local dialects as per region. The main religions are (Senyonyi, Ochieng & Sells, 2012:500):

- Christianity (85%);
- Islam (12%), and
- Other such as Adventists and Buddhists (3%).

The Uganda National Culture Policy complements, promotes and strengthens the overall development goals of the country (Bbumba, 2006:15). Deep rooted cultural and traditional practices discriminating against females remain major obstacles to the realization of females’ rights in Uganda.

A study by Rarick, Winter, Nickerson, Falk, Barczyk and Asea (2013:8) adopted Hofstede and Bond’s (1988) five culture dimensions to assess the Ugandan culture. The study revealed that the Ugandan culture can be characterised as being low in power distance, masculine, collectivist, moderately high in uncertainty avoidance, and short-term orientated. Rarick et al., (2013:8 ) affirmed that in Uganda, people from cultures low in power distance prefer some form of power sharing and participation in the workplace. It was also indicated that the masculine nature of Ugandan culture points to aggression and competition being valued in business. The collectivist nature of Ugandan culture indicated that groups serve a useful role in the business of management of people and
achievement of goals. Finally, a high uncertainty avoidance means individuals required more direction and clear policies and procedures while in business. The short-term orientation suggested most businesses are not future-oriented in their policies.

In addition, Uganda’s cultural heritage is deeply rooted in the historical roots of the communities, in the pre-colonial times, the social, political and economic organisation of communities revolved around family, clan or the institution of traditional leaders (Ministry of Education and Sports, 2013:9). According to McDowell, Brown, Kabura, Parker and Alotaiby (2011:76), Ugandan families are involved in multiple embedded practices, communal activities, social support networks and adult male power used as a control tool. Visual arts, handicrafts and the performing arts in Uganda are cultural aspects used for self-expression, education and sensitisation of communities to foster development (Bbumba, 2006:8). Despite the continued belittling of traditional norms and change of modern foreign cultural norms, communities still attach great value to their culture and endeavor to conserve, inculcate and sustain it (Ministry of Education and Sports, 2013:9).

In the next section, the population structure, another fundamental aspect pertaining to the socio-demographic environmental factor in Uganda, is discussed.

4.3.3.2 Population structure
Population refers to the totality of all persons in a study or investigation under consideration at a given time in a given area (Male-Mukasa, 2012:2). The Uganda National Population Policy action plan (2011-2015) outlined a population and development policy and institutional framework for gender, family welfare and sexual and reproductive health and rights (Kamuntu, 2010:1). In the 2016 census report, Uganda’s population was estimated at 34.6 million people with a high growth rate of 3.03 per cent per annum implying an addition of over 1 million people annually (Mungyereza, 2016:8). Population growth increases the labour force in the business sector. Figure 4.10 shows the gender and regional population of Uganda.
Figure 4.10: Gender and regional distribution of Uganda’s population

Adapted from: Mungyereza (2016:12)

Figure 4.10 shows that in Uganda 49 per cent of the population are males and 51 per cent females. Also 82 per cent of the population is found in the rural areas and only 18 per cent in urban areas. One of five major urban areas is the capital city Kampala with 4 per cent of the total urban population. In addition, most businesses are concentrated in urban areas (Ministry of Finance, Planning and Economic Development, 2011:4).

It must be noted that population growth can create more future prospects for availability of labour for businesses. Females and males within a population are likely to be affected differently in business due to their social roles and responsibilities. Therefore, both genders should have equal opportunities to grow their businesses. The urban areas, especially Kampala, is the central business district and the capital city with vast opportunities. Due to the potential availability and access to different business opportunities, the population migrates from the rural to the capital city.

In addition, information on the age structure of Uganda’s population is also useful in determining the current and future size of different sub-populations. Such sub-populations include children, youth, the elderly, economically active persons, among others as presented in Figure 4.11.
Uganda’s population age structure revealed that the majority, 58 per cent, are children aged below 17 years; followed by those in the age group 25 to 39 years (17%); then those aged 18 to 24 years (11%); while those in the age group 40 to 59 years are only 10 per cent and lastly those aged 60 and above are only 5 per cent as presented in Figure 4.12. The 2014 population structure reveals that Uganda has a young population bulge, which is a reflection of the past fertility and mortality behaviour (Mungyereza, 2016:12). In such a population structure where the majority is below 17 years and mainly dependents not involved in economic activities, it presents a worrying situation likely to affect business growth.

In the next section, the employment status of Uganda’s population will be discussed.

### 4.3.3.3 Employment status in Uganda

In Uganda, the recognised age for employment is between 14 to 64 years (Mungyereza, 2014b:22). Employment refers to the number of people who work for an hour or more a week for pay or profit, or who work unpaid in a family business (Male-Mukasa, 2010:30). Employment creation is one of the primary strategies of transforming Uganda from a poor agrarian economy to a modern, prosperous and skilled society (Opio, 2011:1). With an estimated population of 34.9 million people in 2014 in Uganda (Mungyereza, 2014c:6), the total employed persons are 16.5 million (Mungyereza, 2014a:43), which is about 47 per cent of the population. Within the employed population the majority, 35 per cent, are
self employed, while 31 per cent are paid employees, 29 per cent are employers and only 5 per cent are contributing family employees.

Figure 4.12 presents the employed age population engaged in economic activity.

**Figure 4.12: Employed age population engaged in economic activity (%)**

![Bar chart showing employed and unemployed age population engaged in economic activity.](chart)

Source: Mungyereza (2014a:44)

Figure 4.12 shows that 84 per cent of the working age population is engaged in an economic activity while 16 per cent is not economically active. The share of the employed population shows variations in rural (87%) and urban (75%) areas and in the regions. The Northern Region has the highest population which is economically active while the Central and Eastern Region have the highest population which is not economically active. Kampala is quite significant with 65 per cent of the population economically active and a 35 per cent unemployment rate. This is critical for this study since Kampala is the study area for assessing strategies to reduce barriers to business growth hence creating employment. Uganda’s official unemployment rate rose from 4.2 per cent in 2013 (Ministry of Finance, Planning and Economic Development, 2013:95) to 9.4 per cent in 2014 (Mungyereza, 2014b:22). High unemployment rates and poverty stifle business growth and the overall economic development of the country.
The efficiency and flexibility of the labour market is critical for ensuring that employees are allocated to their most effective use in the economy and provided with incentives to give their best job. Business growth can also be influenced by the education level of society as it influences the skills levels of employees.

In the next section, education in Uganda will be discussed as a social-demographic factor influencing business growth.

4.3.3.4 Education

Basic education is a fundamental human right (Male-Mukasa, 2010:14). Basic education is a priority for the government of Uganda, critical for economic growth and social transformation (Mungyereza, 2013:182). The same author mentioned that a number of reforms took place in Uganda’s education system, some of these include among others:

- The Universities and other Tertiary institutions Act 2001;
- The Education Act 2008;
- The Business, Technical Vocational Education and Training Act 2008, and
- Gender in Education policy 2010.

With the above reforms in place, the government of Uganda focused on increasing access to education services and literacy in Uganda. The government introduced free universal primary- and secondary education (Malik, 2013:80) in selected schools countrywide. This increased enrollment and access to education (Eziakonwa-Onochie, 2013:9). With regards to tertiary education, Uganda has over 32 public and private universities and several polytechnics offering quality education in more than 50 fields of study, with an enrolment of over 196,561 (Mungyereza, 2013:126) and producing over 100,000 graduates and thousands of diploma and certificate holders in various fields annually in 2013. With graduate employment estimated at only 53% (Bahati, 2015:36). This offers a constant source of trained and flexible labour force (Ministry of Finance, Planning and Economic Development, 2011:6). Business investment encourages entrepreneurs to add
capital in education and training, so that they can take advantage of better jobs arising within the private sector (Ernst & Young, 2010:13).

Education determines the literacy rate of the population. Business transactions involve compiling various documents which require business owners to have a certain level of literacy to do business. Literacy refers to the ability to read with understanding and write a meaningful statement in any language (Mungyereza, 2013:15), which can empower everyone (Male-Mukasa, 2011b:33). The 2009/2010 and 2012/2013 Uganda National Household surveys showed the overall literacy rate among persons aged ten years and above presented in Figure 4.13.

**Figure 4.13: Literacy trends in Uganda**

![Literacy trends](image)

Source: Mungyereza (2014b:19)

As can be seen in Figure 4.13 the highest literacy rates in both periods are in the Central Region and the lowest in the Northern Region. The following regions experienced declines in literacy rates respectively:
Central Region from 83% to 80%;
- Eastern Region from 68% to 64%, and
- Northern Region from 64% to 60%.

The Western Region had an improvement in overall literacy rates from 71% to 75%. Kampala city also experienced an improvement in literacy rate from 92 per cent to 93 per cent. Due to this reason, the small business interviews are drawn from the Central region and particularly Kampala.

In addition to literacy rates, it is important to examine the education level of the population which also influences business growth. The country’s competitiveness is driven by education and training (Schwab, 2013a:10). Figure 4.14 reveals the education level attained by its population.

**Figure 4.14: Education level attained by the population**

Source: Mungyereza (2014a:24)
As can be seen in Figure 4.14 most Ugandans have at least attained some or completed primary education, with the majority of the population from the Eastern Region. Second, is the category of those who have some or completed secondary education with the majority from the Central Region. Thirdly, is the category of those without formal schooling, with the majority in the Northern Region. Lastly the most educated in the category of those who have attained above secondary education level are the least of the population, with the majority in the Central Region.

Eziakonwa-Onochie (2013:1), observed that Uganda is converging towards better levels of human development in terms of life expectancy and educational attainment. Although, Schwab (2013a:21) stressed that the country needs to improve secondary education and tertiary education enrollment. Attaining a certain level of literacy and education for a national is vital for the economic growth. Education equips a person with knowledge and skills to be able to search for opportunities and exploit them. Education institutions are a source of human resources for the business community as they pursue their growth ambitions. For purposes of this study, only participants with some or completed secondary education level will be considered. An individual's education level influences many aspects of life, including health.

In the next section, the health aspect in Uganda as a social-demographic factor will be discussed.

4.3.3.5 Health
Health is a public good that generates significant positive externalities that facilitate structural change (Ryder, 2014:73). The health sector provides services required to maintain a healthy population, for effective engagement in gainful economic activities and to reduce morbidity and mortality among Ugandans (Mungyereza, 2014a:62). The Uganda Health Sector Strategic Plan III (2010/11-2014/15) in line with National Development plan provide an overall framework for the health sector which focuses on
economic growth to reduce poverty (Ministry of Health, 2010:1). In 2013/2014, the health sector’s activities contributed 0.8 per cent to total GDP (Mungyereza, 2014b:64). Hence, the health status of a country’s population is directly related to its development.

According to Rugunda (2014:1), the overall goal for the health sector is to attain a good standard of health for all people in Uganda in order to promote a healthy and productive life. It was further added that the current focus on improving the health status of the population hinges on the following dimensions:

- maternal mortality rate per 100,000 live births;
- infant mortality rate per 1000 live births;
- under five mortality rate per 1000 live births;
- contraceptive prevalence rate;
- HIV prevalence rate, and
- percentage of skilled health providers.

To achieve the health dimensions, the country’s main health facilities are hospitals and health centers (Mungyereza, 2014b:33). In the entire country, 55 per cent of the health facilities are owned by government, followed by 28 per cent owned by private individuals and only 18 per cent owned by non-government organisations managed by trained staff though government facilities are understaffed.

With the country set on improving health in the above-mentioned dimensions and availability of health facilities, some improvements have been attained. Male-Mukasa (2012:124) affirmed that the high population growth is due to the fact that a substantial percentage of births in Uganda take place in a health facility. Indeed in 2013, Uganda made progress in the Millennium Development Goal Five in the proportion of births assisted by a trained health worker (Eziakonwa-Onochie, 2013:24). However, child malnutrition, high prevalence of malaria and HIV/AIDS, and high rates of maternal
morbidity and mortality remain a challenge to the country’s development (Kasaija, 2014:5).

An increase in family planning reduces female fertility, mortality and this enables females to have more time to work and have a better health status (Kasaija, 2014:19). It can, therefore, be concluded that the continuous improvement in the health status of Uganda increases productive entrepreneurs for the country. In turn, a healthy labour force is able to respond to market forces in order to facilitate business growth which accelerates economic growth.

Given the above discussion on the social-demographic environment, Uganda has a high youthful population growth rate. The country’s culture is composed of rich, diverse and complex practices. However, it seems that the cultural norms and social roles hinder the entrepreneurial spirit in the country. Uganda is still struggling with quality and access to education and health systems and low literacy rates in some areas that could affect entrepreneurs wishing to grow their businesses.

In the next section, the technological environment in Uganda as an environmental factor that influences business growth will be discussed.

4.3.4 Technological environment

The technological environment trends and development is critical for the economic growth of Uganda. To improve communications for the business community (Museveni, 2010:34), government stepped up technological investments using different approaches (Eziakonwa-Onochie, 2013:37).

Several initiatives were developed to promote a suitable business environment in the form of legal, institutional and administrative reforms with the National Science, Technology and Innovation Policy (2009), the most significant focus being on technology (Museveni,
The Uganda National Council for Science and Technology was established in 1990 to spearhead strategic undertaking for integrating science, technology and innovation in the national development process (Kamuntu, 2009:2). The country has strong interest in using technological innovations to support government planning (Diga, Nwaiwu & Plantiga, 2013:122).

4.3.4.1 Technology adoption
Due to the reforms in technology in Uganda, several advances have been made in technology in Uganda including internet access, use of mobile technology and automatic teller machines as discussed in the subsequent subsections.

a) Internet access
Entrepreneurs in Uganda have adopted the use of various internet technologies (Deen-Swarray, Moyo & Stork, 2013:58). In 2013, it was estimated that Uganda had obtained 2.9 million internet subscribers and 7.9 per cent internet penetration (Uganda Communications Commission, 2014:4). In cooperation with the private sector, Uganda is trying to make available the benefits of internet technology (Eziakonwa-Onochie, 2013:36) such as the continuous upgrade and expansion of networks by service providers with advanced 3G and 4G technologies allowing faster broadband connection speeds leading to growth in this market (Mungyereza, 2013:53). More internet devices entered the market and service providers continued to invest more in infrastructure. At the same time, Uganda made it easier by digitising records at the title registry, increasing efficiency at the assessor’s office and making it possible for more banks to accept the stamp duty payment (Indrawati, 2014:87). Internet access is also supported by the use of mobile technology as presented in the subsequent subsection.

b) Use of mobile technology
Uganda cooperated with the private sector and made available the benefits of mobile technology (Eziakonwa-Onochie, 2013:36). In 2013, in Uganda it was estimated that
mobile subscription was 16 million, with 47.6 per cent mobile penetration (Uganda Communications Commission, 2014:4). The country’s mobile market is liberalised and competitive for the service providers (Calandro & Moyo, 2012:25). Entrepreneurs in Uganda have adopted the use of various mobile technologies such as mobile phones and laptops (Deen-Swarray et al., 2013:58). The business technology adoption rates are depicted in Table 4.2.

Table 4.2: Business technology adoption rate in Uganda

<table>
<thead>
<tr>
<th>Technologies adopted in business</th>
<th>Adoption rate of owners in %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>National</td>
</tr>
<tr>
<td>Working with a fixed line</td>
<td>6.9</td>
</tr>
<tr>
<td>Using mobile phones for business purposes</td>
<td>67.9</td>
</tr>
<tr>
<td>Working with a computer or laptop</td>
<td>3.2</td>
</tr>
</tbody>
</table>

Adapted from: Deen-Swarray et al. (2013:58).

Table 4.2 indicates that the rate of male business owners that use fixed line and mobile phones is higher than that of female owners. On the other hand, the rate of businesses with working internet connectivity is higher for female owners. The reasons regarding the lack of use of different kinds of technologies could be need, affordability, availability and access (Deen-Swarray et al., 2013:60).

In Uganda the number of users that have mobile phones capable of browsing the internet is two to three times larger than those that actually use it for internet browsing. Yet, together with the increasing diffusion of smart phones among the population, the mobile phone is becoming the favourite ICT device to access and browse the internet (Stork, Calandro & Gillwald, 2013:40). Further still, the use of mobile phones for accessing social networking applications (such as Facebook) is higher than for reading and writing e-mails, indicating a substitution effect of the e-mail function with social networking platforms. For example, mobile phones have penetrated remote rural areas and this has enabled social networking, innovative new services such as money transfers, message alerts, mobile kiosks to be delivered cost effectively (Dobronogov, 2011:40; Martin & Abbott, 2011:20;
Eziakonwa-Onochie, 2013:36). The number of mobile money transfer subscriptions increased in 2012, a result of mobile money service promotions carried out during the SIM-card registration exercise as well as continued demand for convenient, affordable and time-saving means of payment (Mungyereza, 2013:53).

For instance, agricultural technology transformation took place through the utilisation of biographical, chemical and mechanical inputs which increased productivity (Nsibambi, 2008:83). Government and private agencies organised programmes where university youths interested in technology competed through creating new technologies for the agricultural sector like the short message alerts for farmers showing the prices of produce in the market (Kasaija, 2012b:33; Malik, 2013:55). Other agricultural uses of mobile phones for rural livelihoods are (Martin & Abbott, 2011:25):

- coordinating access to agricultural inputs;
- accessing market information;
- agriculture emergency security;
- monitoring financial transactions, and
- consulting with expert advice.

Mobile technological advancements such as described above, have led to the emergence of several service-oriented businesses in Uganda. For instance, the five operational telecommunications network companies are Uganda Telecom Limited, MTN Uganda Limited, Airtel Uganda Limited, Warid Telecom Uganda Limited and Africell Uganda (Uganda Communications Commission, 2014:7). These have in turn led to the development of small businesses dealing in selling cards, mobile phones, accessories and internet cafes (Ministry of Finance, Planning and Economic Development, 2013:89). In addition, tax exemptions on ICT equipment led to the development of software and supporting technologies and spurred the growth of ICT oriented small businesses (African Development Bank, 2010:12). Uganda’s ICT sector was liberalised to several private
providers and is composed of telecommunications, postal services, broadcasting infrastructure, information technology and library and information services.

According to the World Bank report, Uganda reduced turnaround time of document stamp duty certification by introducing a new eStamp system (Indrawati, 2014:87). Uganda Revenue Authority adopted the improvement on the interconnectivity of customs information and communication technology systems (Revenue Authorities Digital Data Exchange, Single Window system, ASYCUDA’s risk management software) with neighboring East African countries (Work Bank, 2013:19).

c) Automatic teller machines
The technology needs of businesses in Uganda are extremely diverse (Randall, 2008:27) highlighting the vast opportunities for entrepreneurial activities. For instance, a notable technological innovation is the use of automatic teller machines for financial transactions (Katono, 2011:201). Effective utilisation of adaptable technology, appropriate applications, and individually tailored solutions create cross sectoral opportunities for business development in the current competitive environment (Mayoka & Balunywa, 2012:120).

In the next section problems experienced with technology in key sectors such as technological environmental factors will be discussed.

4.3.4.2 Problems experienced with technology
Various problems are experienced in Uganda with regards to technology adoption and usage such as cost of technology, technology adoption readiness and lack of computer skills.
a) Cost of technology

Cost of technology is considered to be one of the biggest challenges in Uganda (Stork et al., 2013:45). The major cost constraints to performance of the science and technology sector are inadequate financing and lack of incentives to promote private research (Museveni, 2010:152). In addition, high cost of internet bandwidth, unstable and unreliable internet services are also a constraint to doing business (National Information Technology Authority Uganda, 2012:3). In a study by Deen-Swarray et al. (2013:63), small business owners in Uganda mentioned the following were grounds for not having access to internet: 82.6 per cent of the respondents indicated that it was too expensive, then 72.1 per cent mentioned it was not needed, while 66 per cent indicated that it was not available, while 13 per cent stated that it was too slow, 7.7 per cent use rather public internet access and 7.4 per cent did not have knowledge about the internet. By and large, it is also expensive to acquire devices such as personal computers (Rohman, 2012:39).

The telecommunications sector (players, services and subscribers) in particular faces challenges of congestion, high costs of international data traffic and slow speed of accessing internet services (Museveni, 2010:135). For instance, there is no meaningful information system to facilitate efficient and effective access to business information in Northern Uganda (Okello-Obura et al., 2008:372). Another technological challenge is technology adoption readiness as discussed in the next subsection.

b) Technology adoption readiness

In today’s globalised world, technology is increasingly essential for firms to compete and prosper. Uganda’s global competitiveness index for technological readiness is ranked at 120 out of 148 (Schwab, 2013a:374). This implies technology is not readily adopted to enhance business productivity. Despite the importance and the structural changes in technological development in the country, businesses operate in an environment characterised by fragmented, incomplete information and limited technology which affects implementation (Okello-Obura et al., 2008:370).
Technology usage in Uganda is minimal by international standards and obstructing Uganda’s competitiveness (Ministry of Finance, Planning and Economic Development, 2013:90). In addition, an entrepreneur’s access and use of upgraded technology is limited due to lack of information about existing technologies and the inadequate availability of suitable technologies for the local environment (Nshaho, 2011:17). The use of the internet and personal computers which is an indicator of technological readiness is still low partly because of the few internet service providers, the low literacy rate and limited availability of electricity (Ministry of Finance, Planning and Economic Development, 2011:14). Similarly, small businesses in Uganda value the use of simple and affordable technology which is not competitive (Ernst & Young, 2010:12).

In the next section, the importance of ICT skills in business will be discussed in more detail.

c) Information Communication Technology skills

Having appropriate ICT skills are important for the growth of a small business today. It can be noted, that Uganda made the fastest transition from low value exports to higher value products using modern technology; this opened up various business opportunities in access to relevant information, knowledge and markets (Dongier, 2013:6; Museveni, 2010b:36).

The technology acquisition fund for SMEs implemented by the Private Sector Foundation of Uganda, led to the acquisition and usage of new technology, improvement in efficiency, product quality, introduction of new products, increase in exports, employment as well as business competitiveness (Ssendaula, 2010:34). All these initiatives spur business growth and hence economic development. However, in Uganda lack of ICT skills is a major challenge to embracing technology (Stork, et al., 2013:45). This is coupled with
major constraints in the performance of the science and technology sector such as (Museveni, 2010:152; Namatovu et al., 2010:52):

- inadequate focus on research and development by both private and public actors;
- inappropriate formal and informal education and training;
- weak collaboration mechanisms between planners, research institutions, industry, and academia;
- inadequate personnel, and
- limited ICT competences and skills.

By and large, business growth can also be influenced by demand-side challenges such as digital literacy and affordability of access devices such as personal computers (Rohman, 2012:39).

In conclusion, the technological environment in Uganda is still developing. The country developed legal, institutional and administrative reforms in technology to spur the national development process. These enabled several technological advancements like Internet access, use of mobile technology and automatic teller machines. Important to note that the country has also experienced technological implementation challenges such as high costs, slow adoption readiness and limited ICT skills among the private sector, which can influence the growth rate of small businesses.

In the next section, the ecological environment as an aspect of Uganda’s external business environment will be discussed.

4.3.5 Ecological environment

Uganda has a favourable and rich ecological environment which supports a wide range of business activities. However, the high population growth rate with a need for a livelihood and low political commitment present a threat to the country’s economic growth and human health. The ecological environment is critical to economic sustainability (Ryan
& Hartter, 2012:326). However, it faces a number of constraints (Balirwa, 2007:126; Ministry of Finance, Planning and Economic Development, 2013:94; Museveni, 2010:324) which include:

- an inadequate framework for comprehensive operationalisation of the ecological policies and regulation;
- inadequate measures for adaptation to climate change;
- increased unit costs for service delivery on ecological management coupled with inadequate funding;
- low functionality of water facilities;
- insufficient relevant ecologically related information in a timely manner and in formats that can readily be used by entrepreneurs, planners and decision-makers;
- inadequate institutional capacity for sensitising communities and entrepreneurs on how to protect the environment; and
- limited networking, collaboration and coordination among the national and international communities on information sharing and financial leverage of the ecological environment.

The ecological environment in Uganda is mainly described by the state as land-, atmospheric-, fishing-, energy- and water-resources, biodiversity and ecosystems (Museveni, 2010:323). In the following sections, an overview will be provided on the land and atmospheric-, water-, energy resources and biodiversity status.

### 4.3.5.1 Land and atmospheric resources

Land is the most important natural resource asset in Uganda (Doss, Truong, Nabanoga, & Namaalwa, 2012:598) whose productivity directly impacts on the economic growth and development of all Ugandans (Mutagamba, 2010:26). The utilisation and management of land resources is guided by the National Land Policy in Uganda (Migereko, 2013:5). Uganda is immensely endowed with natural comparative advantages of good weather, ample fertile land, regular rainfall, and mineral deposits that support economic growth and
development (Okello-Obura et al., 2008:369). This explains why Uganda is predominantly an agricultural economy (Ernst and Young, 2010:11) and land is largely available in the country (Mutagamba, 2010:26).

Forest stock has decreased due to deforestation where forest land is converted to other land use types such as agriculture (Mutagamba, 2010:30). By giving away forest land to private investors, the Ugandan government perpetuated the high rate of deforestation and forest degradation in the country (Nampewo, 2013:552). In addition, the need for settlements and businesses selling firewood, charcoal and building poles has led to the destruction of resources (Mulumba, 2011:33; Ryan & Hartter, 2012:326). This is aggravated by the growing human population and corresponding increase in demand for forest products for domestic and industrial use, expansion of agricultural land, illegal settlements and weak forest management capacity (Obua, Agea & Ogwal, 2011:853; Ojwok, 2008:9). This makes Uganda vulnerable to climate change, because its agriculture is rain fed, yet agriculture is the backbone of the economy, and the livelihoods of many people depend on it (Ministry of Finance, Planning and Economic Development, 2011:17; Mubiru, Komutunga, Agona, Apok & Ngara, 2012:180).

Uganda then embarked on reforestation by distributing tree seedlings to the population or paying money to individual farmers to convert some of their farmland into woodlots so as to reverse deforestation (African Development Bank, 2010: 8-9). This also improved weather, climate and protection and restoration of environmental and natural resources (Ministry of Finance, Planning and Economic Development, 2013:93). Consequently, this motivated the population to ensure forest restoration and recovery, while making it economically viable as an alternative to agricultural conversion (Ryan & Hartter, 2012:25).

Another ecological environmental factor which is vital for business growth is water resources presented in the next section.
4.3.5.2 Water resources

Water plays a key role in the development of people and economies. Investment in water management directly contributes to livelihood security, improved health, poverty alleviation and reduced societal vulnerability. The water resources such as rivers, lakes and swamps provide employment to the surrounding population such as fishermen, fishmongers and farmers. The government is committed to the provision of safe water within easy reach and to improve sanitation (Museveni, 2010:268). Water-related economic activities generate revenue, create employment and a reduction in sanitation-related diseases (Museveni, 2013:65).

Uganda is experiencing a decline in groundwater levels, which has implications for the health and wellbeing of people, livelihoods and the economy (Mutagamba, 2010:71). Challenges facing management of water resources are (Mutagamba, 2010:94; Muyodi, Bugenyi, & Hecky, 2010:86):

- irregular water supply;
- overfishing;
- little water management project sustainability;
- high personal turnover rates for during implementation of water management activities;
- inadequate capacity of institutions to continue using equipment acquired for water projects;
- lack of coordination of training throughout the water management project components;
- high cost technologies for land management practices around water resources;
- no political commitment to water management activities at the local level, and
- irregular funding flows for water management activities.

Many areas of the country however, suffer both temporal and spatial shortages of water and the discovery of oil and gas in the Albertine Graben, as well as the water and fishery resources of Uganda, may be at further risk hence affecting the small scale fishermen
and fish mongers (Mutagamba, 2010:94). The other factors that affect water management are: unplanned settlement patterns, weak local private sector players, temporal and spatial variability of water resources, lack of capacity to pay for water services and low prioritisation of sanitation (Museveni, 2010:271). In addition to water resources, energy is also a vital ecological aspect for business growth. This is presented in the next section.

4.3.5.3 Energy resources

Uganda’s energy sector comprises of both locally produced and imported traditional and conventional sources of energy. The energy sources mainly include imported petroleum products and locally generated electricity (hydro and thermal) in the country (Mungyereza, 2013:45). Uganda’s current pattern of energy exploitation and consumption is such that biomass accounts for 92 per cent, fossil fuels account for seven per cent and electricity only one per cent (Museveni, 2010:164); a reflection that the country is still in its infancy stages of energy application in production processes.

Fuel-wood and charcoal dominate the locally produced traditional energy resources in the country and are the most prevalent energy sources at both supply and demand levels (Mutagamba, 2010:121). The potential availability of locally produced fertiliser would have the potential to greatly boost agricultural productivity. Much of the current mining activities occur at a small-scale and are artisanal (Mutagamba, 2010:36). For instance, most of the woody biomass energy is consumed in homes as charcoal and firewood. This exploitation pattern is not sustainable.

Access to reliable and affordable electricity is vital for businesses. It takes 6 procedures and 146 days to obtain an electricity connection. It costs 13,456.7 (% of income per capita) to complete each procedure (Devan, 2012:133; Devan, 2013:202; Indrawati, 2014:231). They affirmed that over three years, 2012 to 2014 Uganda’s ranking deteriorated from 129 out of 183 countries in 2012 to 127 out of 178 countries in 2013 to 178 out of 189 countries in 2014, but improved to 150 out of 189 countries in 2015 (Basu,
2015:5). During the four years the country did not make any reforms to improve the business environment. Obtaining an electricity connection is essential to enable a business to conduct its most basic operations.

The capacity of electric power supply in the country continues to be a challenge and presents a severe constraint to small business operations (Ministry of Finance, Planning and Economic Development, 2011:14). The low supply of electricity significantly slows down the economic activities of small businesses. The energy consumption pattern is such that residentially related activities account for over 70 per cent, commercial use (13.6 per cent), industrial use (10.7 per cent), transport use (five per cent) and other uses less than one per cent (Museveni, 2010:164). It can be observed that only 30 per cent of the energy is used for business-related activities.

Currently, the nation meets all its petroleum needs with imports (Museveni, 2010:125). However, the discovery of oil and petroleum deposits in Albertine Graben generated excitement in Uganda. The discoveries and the development of oil fields in Uganda have triggered a surge of interest in oil and gas potential (African Business, 2011:54). Oil and gas has the potential to generate increased private sector investments and national social wellbeing (African Development Bank, 2010:12). Therefore, future oil production is likely to be the dominant factor influencing economic development and policy formulation (Twineyo, 2012:13). The confirmation of commercial scale oil reserves presents a huge opportunity for economic development and improved livelihoods through job creation for all Ugandans.

4.3.5.4 Biodiversity
Biodiversity in Uganda provides a multitude of services that support economic growth, livelihoods and human health. The tourist sector is heavily dependent on well-maintained biodiversity and ecosystems, such as forests and wetlands (Mutagamba, 2010:97). The
threats facing biodiversity in Uganda include (Mutagamba, 2010:97; Mubiru et al., 2012:108):

- habitat loss which is the conversion of wetlands, forest, water resources into industrial, agricultural, construction and waste disposal sites hence devastating the ecosystem;
- lack of certain types of biodiversity information on rain onset, duration, amount and cessation make smallholder farming a risky business;
- development of the oil industry is negatively affecting wildlife movement and extinction of species, and
- alien invasive species such as organisms that increasingly alter terrestrial and aquatic communities.

The ecological environment in Uganda is important for the survival of its population. Being a low income country, Uganda cannot develop indigenously without protecting the land and atmospheric-, water- and energy resources as well as their rich biodiversity. The involvement and contribution of entrepreneurs is equally important in this drive to do so when planning business growth.

4.4 SUMMARY

The main purpose of this chapter was to examine the Ugandan business environment. This was attained by reviewing the Ugandan SMME business environment and the general Ugandan business environment. In Uganda, the majority of businesses are micro businesses. The trend of business establishments and spread of SMMEs vary per region. It was also revealed that most businesses were found in the Central Region, specifically Kampala city area. The Western and Northern Regions experienced an increase in business establishment while the Eastern Region was on a declining trend of business activities. This could be due to the different regional dynamics. Further, the sectoral spread of SMME entrepreneurial activities showed that most SMMEs are involved in agriculture crop and animal production activities, followed by food and beverage services
and retail trade activities. Also, most SMMEs use sole proprietorship as a business format.

With regards to the general Ugandan business environment, the country adopted multi-party politics although the political complexity and legal pluralism, regulatory process and decentralised system of governance, affects the successful implementation of private sector oriented policies and the overall business environment. Similarly, the country’s stable economic growth, coupled with reduced inflation rate, stable exchange rate, and reduced export and increased import trade activities can influence the growth of small businesses. In addition, the country has a rapid youthful population growth; rich, diverse and complex cultural practices; inadequate quality and access to education and health systems that may affect potential business growth. Additionally, the technological environment in Uganda is challenging as it is still developing in terms of legal, institutional and administrative aspects nationwide. Also, Uganda is trying to protect its ecological environment which is a source of livelihood for its population. The involvement and contribution of entrepreneurs is equally important in all environmental aspects as integration thereof can promote business growth.

The subsequent chapter will focus on barriers to small business growth in Uganda.
CHAPTER FIVE
BARRIERS TO SMALL BUSINESS GROWTH IN UGANDA

5.1 INTRODUCTION
In Chapter Four, the Ugandan business environment was presented. Firstly, the SMME business environment was discussed which focused on SMME classification; trend and spread countywide, sectorial entrepreneurial activities, and business formality. Secondly, the general Ugandan business environment focused on the political/legal-, economic-, socio demographic-, technological-, and ecological factors. Uganda’s political/legal environment is a multi-party political system with poorly coordinated institutional framework that affects business growth. Economically the country has made progress toward economic growth though faced with small imports and a high unemployment rate. The social-demographic environment is characterised by a large youthful population with rich, diverse and complex cultural practices coupled with deteriorating social amenities that hinder females’ entrepreneurial spirit. In addition, the technological environment is still developing amidst challenges. Uganda’s resources in form of land-atmospheric, water, energy and the rich biodiversity which form its ecological environment are essential for business growth. For these environments, the involvement and contribution of entrepreneurs are equally important, and their marginalisation stifles advancement.

The changing nature of the business environment requires entrepreneurs to pay more attention to small business operations. The environment that curbs entrepreneurship destroys the entrepreneurial spirit (Namatovu et al., 2010:9). For this reason, to be sustainable, entrepreneurs need to understand the business environment (Ferreira, Shamsuzzoha, Toscano & Cunha, 2012:686), and adapt to the changing environment to survive. This will require obtaining all information necessary for making informed decisions (Okello-Obura, 2012:454; Oreja-Rodriguez & Yanes-Estevez, 2010:260).
This chapter will, in particular, look at barriers to small business growth in Uganda. These include: entrepreneurial orientation barriers; business environment constraints; and access to business networks as factors influencing the growth of small businesses. They are discussed in detail below.

5.2 BARRIERS TO SMALL BUSINESS GROWTH

In Uganda, 20 per cent of businesses in the private sector are small (Male-Mukasa, 2011a:35). The magnitude, size, labour force characteristics, location and composition of activities are vital assessment factors of growth in business (Mead & Liedholm, 1998:62). Accordingly, scholars such as Nichter and Goldmark (2009:1454) suggest that factors influencing business growth are:

- individual entrepreneur characteristics (education, work experience, gender and household);
- business characteristics (age, informality, access to finance);
- access to social networks, and
- the availability of value chains.

Mason and Harris (2006:563) mentioned that the business culture and management strategic issues affect a business’s internal operations. Further still personal, family, social networks and skills factors (Inmyxai & Takahashi, 2011:458) also influence an entrepreneur’s behaviour. Simpson et al. (2012:270) suggested that the industry sector, labour and technology, financial base, strategies and plans, management resources and culture influence business growth.

The 2010 Baseline Survey of SMEs in Uganda revealed the following as barriers to business growth: inadequate legal, regulatory, policy and institutional arrangements framework; lack of updated SMEs profiles, lack of proper SME coordination, limited or lack of infrastructure/operational sites, limited or lack of access to financial services and business development services (BDS), lack of technology upgrade and development,
limited or lack of access to markets, abusive subcontracting services and lack of proper involvement and consultations (Nshaho, 2011:38).

Based on these previous studies, Chapter Five will, in particular, consider that the most significant and frequent barriers to small business growth in Uganda can be classified as:

- entrepreneurial orientation barriers;
- business environment constraints, and
- access to business networks.

A discussion on these barriers to small business growth follows. The entrepreneurial orientation barriers that influence the growth of small businesses are presented first.

5.2.1 Entrepreneurial orientation barriers
Entrepreneurial orientation barriers are dynamics the entrepreneur faces that affect the ability to manage and achieve the business vision. Ugandans are entrepreneurial people. In 2003, Uganda was positioned as the most entrepreneurial country in the world with a Total Entrepreneurial Activity (TEA) index of 29.2, suggesting that almost every third Ugandan participated in some entrepreneurial activity (Walter, Balunywa, Rosa, Sserwanga, Barabas, & Namatovu, 2003:13). Over the years, the entrepreneurial activity index has been improving from 29.2 in 2003 to 33.7 in 2009, however it dropped to 31.3 in 2010 (Namatovu et al., 2010:18). Current literature suggests a number of barriers that describe and influence the entrepreneur’s actions towards growth. These can be categorised into personality of the owner, family constraints, age, quality of education and training, limited owner experience and knowledge, and gender inequality (Inmyxai & Takahashi, 2011:461; Nichter & Goldmark, 2009:1454; Simpson, Padmore & Newman, 2012:270). These entrepreneurial related factors affecting business growth are discussed in the following sections.
5.2.1.1 Personality of the owner
A person’s unique personality influences the relationship as an owner or manager of a business with employees (Dobbs & Hamilton, 2007:307). Business owners tend to either fill the management role themselves or maintain a high level of control and oversight of the business operations. As such, the influence of these individuals impact on the expansion and growth of business. The strength of personality barriers is expected to differ with the size and type of the business. The reluctance or inability of the owner manager to diversify and control the business functions hinders business growth. However, when a business has reached a certain size or stage in its life cycle, there is the need to professionalise if a business is to grow.

Therefore, the entrepreneur’s personality can suppress the daily operations of the business, either as a manager or the owner. This limits business growth in the long run. In the next section the entrepreneur’s age is discussed as a barrier to small business growth.

5.2.1.2 Entrepreneur’s age
The link between the entrepreneur’s age and business growth in Uganda is particularly unclear. A country’s development prospects are influenced by the age structure of its population (Malik, 2013:95). In a State of Uganda Population report it was specified that the country’s population is mainly comprised of (Kasaija, 2012a:18):
- young people aged 18 years and below at 56 per cent;
- 19-59 years of age are 39 per cent, and
- 60 years and above are only five per cent.

Most of the young people in Uganda are dependents and do not have creative ideas to grow a business. Hence, the youth dependent population cannot exploit opportunities which stifles resource allocation and business growth. According to the Global Entrepreneurship Monitor Uganda 2010 executive report, age groups 18 to 34 years had
the highest necessity total entrepreneurial activity (Namatovu et al., 2010:21). The youth are entrepreneurially oriented countrywide, but with high business failures. A few who start a business are necessity driven with high chances of changing from one business to another for survival.

Further still, a study by Okello-Obura (2012:454), confirmed that the majority of the small business owners in Uganda fall into the productive age bracket of 26 to 35 years. In an attempt to investigate why most information and communication technology businesses failed in Uganda, Mayoka and Balunywa (2012:122) revealed that majority of the entrepreneurs 59.2 per cent were in the age group 18 to 30 years with little working experience. However, as they try to settle down to grow the business at a late stage in their personal life cycle the opportunities and need to engage in business reduces (Namatovu et al., 2010:21).

For this reason, it seems most of the entrepreneurs in Uganda are youths who possess the energy and drive to run a business. The entrepreneur’s age acts as a barrier depending on the business idea, business life cycle and entrepreneurs' age in life. In addition to age, the quality of education and training is a critical entrepreneurial oriented barrier that affects small business growth.

5.2.1.3 Quality of education and training
Naturally, one might expect that quality education and training enhance business capabilities and hence stimulate small business growth. Schwab (2013a:6) asserted that quality education and training is crucial for Uganda to be able to improve the value chain beyond simple small business production processes and products. Education offers a constant source of potential entrepreneurs to small businesses (Ministry of Finance, Planning and Economic Development, 2011:6). With the initiation of Universal Primary Education in Uganda, about 90 per cent of entrepreneurs in the country have at least attained a secondary education while 40 per cent have a university degree (Ministry of

Further still, technical, vocational and university education does not adequately support the development of entrepreneurs with appropriate skills (Museveni, 2010:22). The inappropriate entrepreneurship programmes and curriculum emphasise theory rather than practical approaches, denying participants hands-on experience of doing business and the perception of doing it as a career of choice (Museveni, 2010:32; Namatovu et al., 2010:49). Equally, most entrepreneurs in Uganda are in business sectors that require little or no education to start and operate a business such as retail trade, food and beverages, services and hawking (Namatovu et al., 2010:38; Nshaho, 2011:61). Those, who have attained formal education, seem to prefer seeking jobs (Namatovu et al., 2010:22). This restricts the occurrence of entrepreneurship in the country.

Most of Uganda’s young population desires a better education. To urgently address this effect, the National Education Policy, was instituted to raise productivity, incomes and enhance competitiveness of the economy (Kasaija, 2012a:3). The level of education of an entrepreneur impacts the size of the business and type of economic activity to undertake (Nshaho, 2011:61). In addition, due to the poor condition of secondary and tertiary education enrollment; nature of education system; quality of math and science education; quality of management schools; internet access in schools; low research and training services; and low staff training the quality of higher education and training in Uganda is on a declining trend (Schwab, 2013a:374).

Further still, the level of education of an entrepreneur influences the owner’s ability to manage the business, make decisions and to keep records (Nshaho, 2011:14). Katono (2011:381) added that studying entrepreneurship makes it a more valued career option among graduates in Uganda. Though, very few opt for this alternative because of lack of role models. While investigating the management of records and information among the
SMEs in the Tororo District in Uganda, Okello-Obura (2012:453) found that the business owners were graduates. This implies that education enables entrepreneurs to perform the necessary transactions (Mayoka & Balunywa, 2012:122; Namatovu et al., 2010:49; Okello-Obura et al., 2008:378) and contributes to business growth.

In summary, the main education and training barriers in Uganda include the nature of the education system with theoretical approaches instead of practical approaches, negative attitudes towards entrepreneurship and inappropriate training programmes. Besides the quality of education and training, another critical small business growth barrier is limited owner experience and knowledge.

5.2.1.4 Limited owner experience and knowledge
Small business owners habitually gain experience and knowledge as they manage the business. The owner’s experience, socio-economic background, skills and knowledge, personality attributes/values/expectations/motivations/ambitions influence business operations (Simpson et al., 2012:270). Prior business experience, knowledge, technical skills and record-keeping are vital for business growth (Chawla et al., 2010:7). An entrepreneur’s previous business or management experience enables them to invest in appropriate business activities that facilitate growth.

Knowledge at different levels is transferred from the private and public sector to growing businesses in Uganda (Namatovu et al., 2010:51). For this reason, knowledge and skills possessed by a person are of particular importance since there is a link between skills and perceived behavioural control (Katono, 2011:374). Okello-Obura (2012:454) established that business owners who are well-versed in business issues have reasonable levels of experience. However, many local entrepreneurs do not have a sufficient business mindset to create competitive and sustainable businesses in other words to grow their businesses (Ministry of Finance, Planning and Economic Development, 2011:10).
In Uganda, several small businesses are operated with just management experience and knowledge specifics. Owners merely observe what others do, with little or absolutely no formal management systems, inadequate managerial and technical skills (Ministry of Finance, Planning and Economic Development, 2011:12). For that reason, the owners hardly sustain the businesses and have high chances of failure. Also, this could explain why many businesses are informal and fail to grow. A study by Ntayi, Eyaa and Kalubanga (2011:65), revealed that the level of (legal, purchasing, logistics, marketing and financial) expertise of business owners in Uganda is low and financial management, local market and business management skills are the most critical business skills needed for business growth. Business owners and managers lack adequate knowledge of small business information needs (Okello-Obura et al., 2008:385). Without sufficient information to run the business, the entrepreneurs cannot determine whether or how to grow the business. Unfortunately, it seems that in Uganda limited experience and knowledge is attributed to an insufficient business mindset, inadequate managerial and technical skills and insufficient knowledge about small business information needs.

In summary, personality of the owner, age, quality of education and training, and limited owner experience and knowledge were the most critical entrepreneurial orientation barriers identified. In addition to entrepreneurial orientation barriers, the business environment constraints will be discussed in the next section.

5.2.2 Business environment constraints
Numerous prior studies have examined the business environment constraints that affect the growth of small businesses as shown in Table 5.1.
Table 5.1: Business environment constraints

<table>
<thead>
<tr>
<th>Business environment constraints</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management issues, business culture</td>
<td>Mason &amp; Harris (2006:563)</td>
</tr>
<tr>
<td>Informality, access to credit, competition</td>
<td>Private Sector Foundation Uganda (2011:32)</td>
</tr>
<tr>
<td>Health status of employees</td>
<td>Male-Mukasa (2012:185)</td>
</tr>
</tbody>
</table>

Source: Own construction

In the following sections, the factors influencing business growth will be discussed.

5.2.2.1 Lack of strategic planning

Comprehensive reviews of extant studies into small businesses in Uganda (Tushabomwe-Kazooba, 2006:32; Bitature, 2008:5; Okello-Obura et al., 2008:374; Ministry of Finance, Planning and Economic Development, 2011:12; Namatovu et al., 2012:32; Okello-Obura, 2012:452) suggest that a key determinant of business failure is the absence of strategic planning. Consequently, only a handful of indigenous Ugandan businesses have a succession plan to ensure sustainability (Ministry of Finance, Planning and Economic Development, 2011:5). Failure to plan damages the effectiveness of the business and can eventually lead to a complete breakdown.

According to Halkias et al, (2011:231), females promote their businesses by word-of-mouth; direct marketing techniques and a few rely on print and other media due to being a small business. They are also faced with management constraints such as limited management experience and training in financial knowledge and planning, basic marketing, bookkeeping and human resource management (Okpara, 2011:162). Further still, female entrepreneurs during the growth process are faced with limited access to business information on trade requirements and opportunities (Mbonyane & Ladzani, 2011:555). In a study in Uganda, it was established that poor management of a business by family members, conflict of interest between manager and family, and failure to meet family needs are major problems experienced in business (Mayoka & Balunywa,
The absence of strategic plans is further aggravated by unethical business conduct.

In the next section, unethical business conduct will be discussed.

5.2.2.2 Unethical business conduct

Further still, there is a general belief that the business community in Uganda behaves unethically (Ntayi et al., 2011:23). For instance, business owners intend to operate these businesses themselves as a measure of reducing operational costs which compromises professionalism in their businesses (Ministry of Finance, Planning and Economic Development, 2011:12; Tushabomwe-Kazooba, 2006:32). Bitature (2008:5) added that business owners also disregard business agreements, which results in late deliveries, lack of concern for end customers, and delays caused by disruptions (Ntayi, 2012:125). These unethical challenges arise from poor record-keeping, insufficient training and decision-making that is not based on business plans (Bitature, 2008:5; Ministry of Finance, Planning and Economic Development, 2011:12).

In addition, small businesses in Uganda are faced with challenges arising out of the prevailing business environment which is characterised by a weak unethical corruption culture entrenched in various layers of the society in the business climate (Mugarura, 2010:276; Ntayi et al., 2011:56; Ntayi, 2012:127). Cultural norms contribute to entrepreneurship in Uganda where entrepreneurs are respected and admired (Namatovu et al., 2010:58). But, the unethical business conduct among small businesses increases business operational costs and so is a barrier to business growth.

Uganda experiences poor ethics in public and private sectors. According to Schwab (2011:354; 2012:352; 2013b:374), the country’s global institutional environmental position has constantly deteriorated from 98th to 116th in 2011/2012 to 2013/2014 respectively. This was attributed to the diversion of public funds. Similarly, the East
African Bribery Index published by Transparency International in 2013 revealed that Uganda lead with 26.8 per cent (Transparency International, 2013:1). In addition, the Corruption Perceptions Index in 2013 revealed that Uganda had a score of 26 out of 100, thereby ranking 140 out of 177 countries (Transparency International, 2013:4) with 50 to 74.9 per cent of people paying bribes (Hardoon & Heinrich, 2013:10). This is where tax evaders conspire with officers (Mugarura, 2010:276; Tushabomwe-Kazooba, 2006:32):
- not to pay their levies on goods;
- under-declare their goods;
- use counterfeits;
- swindle government funds;
- receive kickbacks, commission, representation fees,
- tenders awarded to political favourites, and
- money laundering.

With such a business environment, business growth is hindered (Mugarura, 2010:231). As a result, several public, private and civil society organisations have resorted to fighting against corruption (Wandera, 2013:6). The dilemma remains with weak institutions and enforcement of laws (Transparency International, 2013:44). Hence, the suspension of budget support due to theft of donor funds has curtailed spending plans and hurt economic growth prospects.

In the next section, limited access to finance will be discussed.

5.2.2.3 Limited access to finance
According to the National Small Business Survey of Uganda (2015:4), the major barriers to growth SMMEs face are financial in terms of limited access to finance (74.3%) and the ‘cost of finance’ (73.2%). Uganda’s financial system is small, undeveloped and characterised by a large share of foreign ownership (Johnson & Nino-Zarazua, 2011:481). In addition, the financial sector in Uganda is mainly shallow, narrow and inefficient in
terms of the financial products it offers and a wide disparity exists amidst the cost of borrowing and interest rates offered on deposits (Ministry of Finance, Planning and Economic Development, 2011:8). Hence, the flow of credit to small businesses does not match the vast economic contribution of small businesses to the Ugandan economy. A strategic management issue of concern is the limited access to finance for small business growth (Namatovu et al., 2012:21; Private Sector Foundation Uganda, 2012:24). The complexities of access to credit and financial services from formal sources are costly and there is low financial literacy among small businesses (Okello-Obura et al., 2008:372; Randall, 2008:29).

The financial sector is also ineffective in mobilising savings and facilitating private sector development (Bitature, 2008:5; Ministry of Finance, Planning and Economic Development, 2011:8). This is attributed to (Bitature, 2008:5):

- the limited banking networks;
- a high proportion of non-performing loans due in part to lack of collateral;
- the moderate business acumen;
- inadequate financial literacy levels of small business owners borrowing;
- the small level of monetisation of the economy;
- weaknesses of corporate governance in public sector banks to provide for small business requirements;
- challenges of supervision and enforcement of prudential guidelines by the Central Bank;
- absence of business records and bank accounts which make small businesses not qualify for loans, and
- incomes of small businesses are below the threshold and not supported by formal financial institutions.

According to Devan (2012:133) and Indrawati (2014:231), Uganda did not make any reform in its credit information system, collateral and bankruptcy laws to facilitate access
to finance. This implies that if access to credit is not improved, small business growth deteriorates. The country’s slow financial market development limits access to finance growth of entrepreneurial activities and sustainability becomes a challenge (Schwab, 2012:352). The poor functioning of the financial sector affects economic activities due to limited affordable financial services.

Due to the limited access to formal financial resources female entrepreneurs devise other methods. They use bribery to get government contracts and business loans, use informal networks to solve challenges and are exposed to high interest loans charged by money lenders (Fumo & Jabbour, 2011:458; Okpara, 2011:162). With all these practices in place female entrepreneurs lose money and time resulting in no growth in their businesses.

The National Small Business Survey of Uganda (2015:20) revealed that small businesses use a wide range of financial products like commercial banks, mobile money, family and friends, microfinance institutions, Savings and Credit Cooperative Organisations (SACCOs), groups, money lenders and credit dealers. Consequently, sound financial support and a conducive entrepreneurial culture can lead to business growth (Zhang & Si, 2008:697). In Uganda, Namatovu et al. (2012:24) found that female small entrepreneurs use the following sources to access finance as shown in Figure 5.1.

**Figure 5.1: Access to finance by Ugandan female entrepreneurs**

![Access to finance by Ugandan female entrepreneurs](image)

Adapted from: Namatovu et al. (2012:24)
Figure 5.1 shows that 40 per cent of the finance is obtained from the family (child, relative or spouse) followed by 19 per cent from the bank, then 15 per cent from and 12 per cent from SACCO. Additional sources of finance were micro finance institutions, informal groups and money lenders. This indicates that the major source of finances for female entrepreneurs is the family. As the businesses grow they shift to seek out huge amounts and the most appropriate are the banks. Due to limited financial resources female entrepreneurs tend to start their businesses at home and as they grow they seek other premises.

It seems that Uganda’s small and ineffective financial sector coupled with borrowing costs, many procedures, partial information, lack of collateral security, inadequate financial literacy, poor corporate governance and nature of small businesses are some of the most important factors impeding entrepreneurs from accessing credit for small business growth.

In the next section, increased competition is also discussed as one of the barriers that affect small business growth operations in Uganda.

5.2.2.4 Increased competition

The long-term goal of small businesses should be to stay in business and grow by competing. Business competitiveness is where its total cost per unit or output is less or equal to one (Kato, Hyuha & Mugisha, 2008:305). The same authors added that the total cost, labour and capital are some of the measures for competitiveness of business in Uganda. Equally, contractual conflicts, shortage of ordered products and delivery of wrong goods hinder small business productivity and overall competitiveness (Bitature, 2008:5; Ntayi, 2012:134).

The majority of small businesses in Uganda do not conduct research and development activities due to the costs involved and their small size (Ministry of Finance, Planning and
Economic Development, 2011:13; Private Sector Foundation Uganda, 2012:38). In addition, the public research institutions do not adequately meet the small business sector research needs. Consequently, lack of research hampers competitiveness of the sector (Private Sector Foundation Uganda, 2012:32). This explains the low levels of innovation among Ugandan entrepreneurs (Namatovu et al., 2010:49).

Small businesses have access to limited and similar customer segments, which leads to severe competition (Ishengoma & Kappel, 2007:20; Read & Parton, 2009:575). According to Table 4.10 in Chapter 4, Uganda’s innovation pillar ranked 90th in 2011/2012, then 82nd in 2012/2013, and 92nd in 2013/2014. Innovation in Uganda is at its infancy and emerges from new technological and non-technological knowledge with low capacity for innovation, few and low quality of scientific research institutions, low business expenditure on research and development, a few university-industry collaborations in research and development, limited availability of scientists and engineers and unclear laws and regulations. To enhance business growth for competitiveness, small businesses need to utilise appropriate technology and continuous product and service innovations (Ahimbisibwe & Abaho, 2013:061 Okello-Obura & Minishi-Majanja, 2010:31).

Thus, it appears that entrepreneurial businesses in Uganda are faced with high operational costs, limited labour and capital, contractual conflicts, lack of business research, low levels of innovations and few customers segments. These affect growth of business and overall competitiveness. In addition to increased competition, employment opportunities is a barrier to the growth of small businesses.

According to Schwab (2011:354; 2012:352; 2013a:374), Uganda was ranked 121 out of 142 countries in 2011/2012 declining to 123 out of 144 countries in 2012/2013 and further decreasing in ranking to 129 out of 148 countries in 2013/2014 in terms of competitiveness. This shows the deteriorating position of the Ugandan business environment which affects the growth of small businesses in the country.
In the next section, market size, access and proximity will be discussed as a barrier to small business growth.

5.2.2.5 Market size, access and proximity

Female entrepreneurs are constrained by poor access to profitable markets, whether local, regional, national or international, due to a lack of information, capacity, productive resources, production and product quality, market integration and use of ICT-enabling technologies. (Mugabi, 2014:37). Likewise Nshaho (2011:66) highlighted that business connections and access to infrastructural facilities drive the demand and supply of goods and services. The choice of business for female entrepreneurs depends on location flexibility that can accommodate family needs and child rearing (Minniti, 2010:297).

Roomi et al. (2009:279); Mbonyane and Ladzani (2011:555) highlighted problems faced by female entrepreneurs during the growth process as business location, parking and roads infrastructure. Although, combining home and business activities obstructs strategic thinking towards business growth, it enables female entrepreneurs to balance business objectives and family obligations (Knorr, 2011:101). Home based businesses are perceived to be of less value when combined with family responsibilities (Eikhof et al., 2013:560). Loscocco and Bird (2012:204) affirmed that female entrepreneurs with home based businesses have lower sales than owners with separate locations for their business. Home based businesses are usually small in their operations and are likely to grow if the female owner wants to expand to be able to access the market.

The size of the market affects productivity since large markets allow businesses to exploit economies of scale. Uganda's market size is tiny due to the small domestic and foreign market size (Schwab, 2013a:374). This affects the competitiveness of small businesses both locally and globally. Uganda is not doing much to expand and diversify its exports (Morrissey & Jones, 2008:1425). Most businesses in Uganda are in agriculture and face
challenges such as value addition, price determination and supply in international trade (Read & Parton, 2009:576).

Also, Uganda’s goods and market efficiency position is on a declining drift from 105th out of 142 economies in 2011/2012 to 120th out of 148 economies in 2013/2014 this was brought about by imbalance in supply and demand conditions, Schwab (2011:354; 2012:352; 2013a:374). According to Schwab (2013a:374), Uganda’s macroeconomic environment declined in 2013/2014 due to the low government budget balance; gross national savings, inflation, government debt and the country’s poor credit rating. Hence, the flow of small business activities in the economy reduced. In addition, Indrawati (2014:231) observed that the reduction in small business activities led to stagnant payment of taxes. A poor tax payment environment facilitates evasion, avoidance and non-compliance for businesses which is also detrimental to the overall economic growth.

Therefore, entrepreneurs must give greater emphasis to and make strategic decisions regarding the market size, access and proximity. A good small business proximity conveniently enables customers and suppliers to obtain the services or products needed. In the next section, limited employment opportunities will be discussed.

5.2.2.6 Limited employment opportunities
Formal employment opportunities in Uganda are limited (Kasaija, 2012a:4). Therefore, these are more possibilities for self-employment. Yet Uganda lacks effective reliable labour market information to inform policy development (Opio, 2011:2). This may be due to limited formal employment opportunities and so people opt to engage in entrepreneurial activity as an opportunity (Namatovu et al., 2012:29).

Uganda’s small businesses are recognised as vital drivers of innovation growth (Commonwealth Secretariat, 2011:11) and generate both wage and self-employment opportunities (Opio, 2011:9). These businesses approximately employ over three million
people which is equivalent to 90 per cent of total non-farm private sector employees (Ministry of Finance, Planning and Economic Development 2011:4). Most small businesses have five to ten employees (Male-Mukasa, 2010:142).

A census of business establishments in 2010 in Uganda revealed that businesses with an annual turnover of less than five million shillings were 71 per cent, had only one employee and only one per cent had between five and nine employees (Male-Mukasa, 2011a:34). In addition, it was established that businesses with a turnover between five to ten million shillings, none had 50 employees or more, while 18 per cent of the businesses with more than ten million shillings turnover had at least ten employees. In another baseline survey of SMEs in Uganda, it was established that between 2009 and 2010, the number of employees (including the owner if working in the business) since inception showed a 65 per cent and 30 per cent growth respectively in employment (Nshaho, 2011:68). Therefore, this study will only consider small businesses that have increased in employees with at least five to ten employees.

Furthermore, the prevalence of HIV/AIDS among the economically active population segment of aged 15 to 49 years has directly affected the labour supply and productivity in the private sector (Male-Mukasa, 2012:185; Ojwok, 2008:9; Opio, 2011:16) in the following aspects:

- reduced job opportunities;
- violated the rights of workers;
- reduced the supply of labour and skills;
- increased labour costs in terms of absenteeism from work and medical care;
- reduced productivity;
- created a large number of orphan and widow headed households, and
- raised school dropout rates and increased early marriages.
With no cure for the HIV/AIDS virus and limited access to antiretroviral drugs, small businesses are threatened (Ministry of Finance, Planning and Economic Development, 2011:18). Therefore, the country must be prepared to expand and improve the quality of health services such as public-private partnerships to cater for the growing population if economic growth is to be sustained (Ojwok, 2008:12). The low life expectancy of the people in Uganda could explain why less than 10 per cent of the businesses operate for more than 20 years. Faced with a deficient health system, implementation of entrepreneurial programmes is likely to fail (Namatovu et al., 2010:43).

Limited employment opportunities as a barrier to business growth in Uganda breeds poverty which in turn reduces consumers' consumption and, therefore, lack of market for goods produced by small businesses. In the next section, infrastructural development constraints are presented as a barrier to small business growth in Uganda.

### 5.2.2.7 Infrastructure development constraints

Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy, as it is an important factor in determining the location of economic activity and the kinds of activities or sectors that can develop within Uganda (Schwab, 2013a:374). Uganda is a landlocked country with a transport system of roads, railway, water, and air. Further still, Uganda has poor quality road networks that increase the cost of freight (Ranganathan & Foster, 2012:16). This discourages growth operations and competitiveness of small businesses.

The existing infrastructural facilities in Uganda are inadequate (Nshaho, 2011:17). An inadequate unequal distribution of physical infrastructure limits the entrepreneurial productivity of Ugandan businesses (Ishengoma & Kappel, 2011:357; Namatovu et al., 2010:56; Museveni, 2010:32; Ranganathan & Foster, 2012:5). That is why Uganda ranks below average for Sub-Saharan Africa on infrastructure endowment (African Development Bank, 2010:5). Infrastructure is categorised into energy; transport;
However, energy, ICT, and oil and gas have been discussed in Chapter Four. Therefore, this section will focus on transportation networks which include rail, road, air, and water as presented below. Each of these transportation networks has its own challenges for businesses wishing to grow.

a) Railway network
Railway transport is considered a cheaper alternative mode, but underutilised. Uganda’s rail network is dilapidated with insufficient management capacity, with locomotives and rolling stock in an impoverished state exacerbating the country’s already weak competitive situation (Ministry of Finance, Planning and Economic Development, 2011:14; Museveni, 2010:157). The current railway network cannot be used by entrepreneurs to transport their products. Therefore, they mainly use the road network which is faster though costly. The rail network functionality has declined from 1266 km to 321 km covering the main line from Malaba-Kampala route (251km), the Port Bell-Kampala link (9 km) and the Tororo-Mbale line (61km) (Museveni, 2010:157). This author adds that despite the decline due to the low regular investment maintenance, the asset portfolio remains strong, comprising significant chunks of prime land, mechanical workshops, goods and passenger shades as well as container terminals. The Mombasa-Kampala transit route is unreliable, inefficient and costly for entrepreneurs (Private Sector Foundation Uganda, 2012:19). Hence a dilapidated railway system does not promote business, but is a barrier to business growth in Uganda.

b) Road network
Uganda’s total road network is estimated to be 78,100 km of which 4 per cent is paved, categorized as national roads, district roads, urban roads and community access roads (Museveni, 2010:155). Over 96 per cent of the roads are not paved/murrram and are mainly in the rural areas. These murrram roads are not maintained and are not accessible by traders or customers; this greatly hinders the mobility of goods, services and labour.
With poor or lack of mobility, businesses stagnate or close at given times and during low seasons. Further to that, the national road network is rated poorly in terms of addressing the marketing needs of business across the country (Ministry of Finance, Planning and Economic Development, 2011:14).

It is very difficult to conduct business from one region to another and this remains one of the major constraints to development of small businesses. According to Private Sector Foundation Uganda (2012:19), primary obstacles in the transport sector that make the SMME sector less competitive are the implementation of the major feeder roads linking the production sectors to markets is very slow; regional imbalances in transport sector services; and escalating traffic of commercial and personal vehicles into the central business district due to deprived public transport. These slow down the mobility of goods and persons, leading to a decline in productivity of businesses on the whole.

c) Air transport

Air transport is critical for economic security and prosperity since Uganda is landlocked. Besides, air transport plays an increasing role in the promotion of tourism and in regional integration. In terms of air transport infrastructure, Entebbe International Airport is currently the only functional exit point. Other five upcountry airports namely: Arua, Soroti, Pakuba, Kidepo and Kasese have been designated as exit points. There are 60 licensed airfields with 30 currently in use and 19 having regular services (Museveni, 2010:157). Commercial aircraft movement and over flights at Entebbe International Airport increased by 24 and 16 per cent in 2011 and 2012 respectively with a 15 per cent increase for both domestic and International travels while exports and imports of goods through the airport increased by 21 per cent and 7 per cent respectively (Mungyeraza, 2013:51). Since Uganda does not own an airline the traders pay higher rates and the airport lacks facilities. Ultimately, small entrepreneurs cannot easily venture into regional and international market trade, therefore, hampering their business growth.
d) Water transport

Even more, water transport in Uganda is grossly underdeveloped and underutilised. The transport network on all lakes connecting with other countries has not been developed to cope with the demands of SMMEs (Ministry of Finance, Planning and Economic Development, 2011:14). In Uganda, 18 per cent of the surface area consists of lakes, rivers or swamps. The principal lake and river system includes Lake Victoria, Lake Kyoga, Lake Albert and Lake George, together with River Kagera, the Victoria Nile and the Albert Nile (Museveni, 2010:158). Some water routes are served by wagon ferries while others are served by road bridge vehicle ferries. Generally, navigation of Uganda water bodies is risky due to (Museveni, 2010:158).

- lack of hydrographical surveys;
- disjointed and obsolete laws, regulations, and
- standards which need review and harmonisation.

The poor water transport system does not enable small business entrepreneurs to effectively and efficiently operate businesses, hence a barrier to business growth.

In conclusion, the overall poor quality of Uganda’s transport systems includes dilapidated port facilities, futile railroad networks, inadequate air facilities and an insufficient road system. The poor infrastructure facilities hinder mobility of persons and goods hence limiting entrepreneurial opportunity for business growth.

To conclude, there is a degree of consensus that the business environment constraints have numerous potential barriers for business growth in Uganda. These include lack of strategic planning; unethical business conduct; limited access to finance; increased competition; market size, access and proximity; limited employment opportunities; and infrastructure development constraints. The existence of these barriers stifles the attainment of business goals and sustainable growth. In the next section, access to business networks will be discussed.
5.2.3 Access to business networks

Networking is an activity that provides business owners with a platform to create strategic contacts locally, regionally and internationally (Basaza, 2012:26). The social network factor involves children’s roles, business associations, professional business clubs, and business lunches (Inmyxai & Takahashi, 2011:462). These existing support networks have tried to build capacity through lobbying, training and other business development programmes (Otafiire & Opio, 2009:6). However, their reach is still limited to small business entrepreneurs.

In a study by Ntayi, Munene and Eyaa (2010:14), in Uganda, respondents attributed their business growth to utilising connections through friends, family members and acquaintances. Membership to local and other organisations in Uganda increases business opportunities, interaction, information sharing, and mutual positive perception (Hassan & Birungi, 2011:34, Kakuru, 2008:89). Business social networks provide socially embedded incentives and also influence entrepreneurs to seek credit from different sources (Kakuru, 2008:89; Ntayi, Ngoboka, Mutebi & Sitenda, 2012:915). Therefore, in the network it is crucial to be trustworthy, cooperative, reciprocate and volunteer to achieve goals (Awio, Northcott & Lawrence, 2011:86; Ntayi et al., 2010:14).

The evolution of the internet has become the world’s best resource for information sharing and business networking (Nshaho, 2011:120). For instance, mobile phones are used to increase networking efficiency and social capital where agricultural specialists exchange information with farmers (Martin & Abbott, 2011:20). The Urban semi-literate and literate entrepreneurs are also using social media platforms to market their businesses such as Facebook, Twitter and WhatsApp. Short messages and phone calls are used to contact customers and suppliers.
Therefore, access to business networks can be a barrier to small business entrepreneurs if they do not actively participate. This limits their access to information and vast resourceful opportunities to be able to grow their businesses.

Although many small business challenges can apply to any business, it was shown in Chapter 3 female entrepreneurs have unique challenges in addition to these generic challenges. Knowing the challenges is not adequate, but how to overcome these challenges is important, especially in a developing country like Uganda. Chapter 4 synopsised the Ugandan environment. It is even more important to identify strategies to overcome small business growth challenges that are practically executed, and or have proven to be effective, as discussed in Chapter 6.

5.3 SUMMARY
The main purpose of this chapter was to examine the barriers to small business growth in Uganda. This was accomplished by discussing the entrepreneurial orientation barriers; business environment constraints; and access to business networks as factors influencing the growth of small business.

The entrepreneurial orientation barriers included personality of the owner which influences business operations. While the age of an entrepreneur hinders business growth depending on business idea, business life cycle stage and entrepreneurs age in life. Also, Uganda’s poor quality of education and training is characterised by negative attitudes towards entrepreneurship, inappropriate training programmes, theoretical approaches and nature of the overall education system. Limited owner experience and knowledge also hinders decision-making on how to grow hence a barrier to small business growth in Uganda.

In addition, the business environment constraints have numerous potential barriers for business growth in Uganda. These include lack of strategic planning by entrepreneurs
and unethical business conduct among small businesses. Small businesses are also faced with limited access to finance due to a small and undeveloped financial sector; increased competition; market size, access and proximity. Further still, the limited employment opportunities in the economy coupled with immense infrastructure development constraints in terms of poor rail, road, water and air transport networks affect the growth of small businesses. The failure to network by small businesses is also limiting their growth aspects. The existence of these barriers stifles the attainment of business goals and sustainable growth. The next chapter will focus on global best practice strategies for stimulating small business growth.
CHAPTER SIX
GLOBAL BEST PRACTICE STRATEGIES FOR STIMULATING SMALL BUSINESS GROWTH

6.1 INTRODUCTION

It was noted in Chapter Five that barriers to small business growth challenges in Uganda were classified as entrepreneurial orientation barriers; business environment constraints; and limited access to business networks. Entrepreneurial orientation barriers relate to the personality of an entrepreneur, while the business environment constraints were those that affected the business operations.

Governments have increasingly understood the importance of business growth as a driving force of competitiveness; therefore, they need to identify unique insights into best practices worldwide. Identifying and adopting global best practice strategies improve regulatory frameworks, enables national policy makers to set standards; and provide assistance in building entrepreneurial capacity (Kim, 2014a:215).

The focus in this chapter is on global best practices for promoting small business growth. Firstly, the chapter distinguishes between developed and developing countries. Secondly, favourable SME conditions for business growth are identified and an overview of global entrepreneurial activities within developed and developing countries were highlighted. Thirdly, best practice strategies to overcome small business growth challenges of the selected leading developed countries with innovation-driven economies and developing countries with efficiency-driven economies and factor-driven economies, were discussed in greater detail. The study considers five sets of best practice strategies namely: the existence of SME policies and support programmes, access to finance, market openness, infrastructure development and cultural and social values. Lastly, a summary of the best practice strategies to overcome small business growth barriers as evident in the selected developed and developing countries are drawn.
The following section discusses the difference between a developed and developing country.

6.2 DIFFERENCE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES

There is no simple and single definition for a developed or developing country (Nielsen, 2011:5). Several international organisations such as the International Monetary Fund, United Nations and World Bank’s main criterion for classifying countries is on the basis of gross national income (GNI) per capita. Several authors (Amoros & Bosma, 2013:10; Bosma & Levi, 2009:5; Kim, 2014a:293; Nielsen, 2011:19; Schwab, 2013a:9) made the following distinction by taking into consideration the GNI, as well as the stage of economic development of a country:

- **Developed (advanced) countries** are high-income countries with a GNI per capita of $12,616 or more at the innovation-driven development stage, and
- **Developing (emerging) countries** are low- and middle income countries with a GNI per capita of less than $12,616 at the efficiency-driven and factor-driven stage of development.

The Global Competitiveness Index (GCI) measures the microeconomic and macroeconomic foundations of country’s institutions, policies and factors that determine the level of productivity (Schwab, 2012:4). It classifies a country’s development in terms of factor-, efficiency- and innovation-driven economies and measures a country’s global competitiveness in terms of 12 pillars as seen in Figure 6.1.
From Figure 6.1, a country’s stage of development is based on the level of GDP per capita at market exchange rates and incomes (Schwab, 2014:10). In the first stage, the economy is *factor-driven* and countries compete based on their factor endowments (primarily unskilled labour and natural resources). Businesses compete on the basis of price and sell basic products or commodities, with their low productivity reflected in low wages. Maintaining competitiveness at this stage of development, hinges primarily on well-functioning public and private institutions, well-developed infrastructure, stable macroeconomic environment and healthy workforce with at least a basic education.

Subsequently, as a country becomes more competitive, productivity and wages will increase with advancing development. Businesses then move into the *efficiency-driven* stage with increased efficient production processes and quality products. At this stage, competitiveness is greatly driven by higher education and training, efficient goods
markets, well-functioning labour markets, developed financial markets, the ability to harness benefits of existing technologies, and a large domestic- or foreign market.

Finally, as countries move into the innovation-driven stage, wages and standard of living are high, and businesses are able to compete with new and unique products. At this stage, SMMEs compete on product innovation and differentiation using sophisticated production processes (Singer et al., 2014:21).

To provide a more across the board view, best practice countries for this study will be selected from all three economic development stages. The motivation for selecting the best practice countries are based on their entrepreneurial activities as indicated in the next section.

6.3 ENTREPRENEURIAL ACTIVITIES WITHIN SELECTED BEST PRACTICE COUNTRIES

Entrepreneurial activities of a country can be observed in terms of new business establishments, number of established businesses, number of business discontinuations, total entrepreneurial activity (TEA) opportunity and their opportunity orientation at a given period of time (Singer et al., 2014:27). In this study, the motivation for inclusion as a best practice country is based on a combination of entrepreneurial activities in terms of the highest total business establishment rate, lowest business discontinuation rate and highest female TEA opportunity orientation, as this study is focusing on female entrepreneurs. Following is a discussion of the motivation for the selected innovation-driven global economy countries based on these three entrepreneurial activities is discussed.

6.3.1 Motivation for selected innovation-driven developed countries

The motivation for the two innovation-driven developed countries selected based on the three entrepreneurial activities is presented in Table 6.1.
### Table 6.1: Entrepreneurial activities of selected innovation-driven economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Established business ownership rate</th>
<th>Discontinuation of businesses</th>
<th>Female TEA opportunity (% of TEA females)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trinidad and Tobago</td>
<td>8.48</td>
<td>2.79</td>
<td>85.69</td>
</tr>
<tr>
<td>Canada</td>
<td>9.35</td>
<td>4.16</td>
<td>70.35</td>
</tr>
</tbody>
</table>

Adapted from: Singer et al. (2014: 82, 85, 86)

From Table 6.1 it can be seen that females’ motivations for opportunity-oriented activities are high in both countries. Trinidad and Tobago’s established business ownership rate stands at 8.48 per cent with a *low rate of business discontinuation* of 2.79 per cent. In addition, Trinidad and Tobago had the *highest female opportunity entrepreneurial activity* of 85.69 per cent in GEM 2014, while in the 2013 GEM global report it emerged as the *most innovation-driven economy* in Latin America and Caribbean Region (Amoros & Bosma, 2013:25; Singer et al., 2014:82). In 2014’s GEM global report, Canada had an established business ownership rate of 9.35 per cent and a relatively *low rate of business discontinuation* of 4.16 per cent. The *opportunity entrepreneurial activity for females is high* at 70.35 per cent. The reason for this is their government’s ability to create an enabling entrepreneurial environment to ensure business growth (Indrawati, 2014:156). Thus the presence of high entrepreneurship practices in both economies depicts favourable entrepreneurial environments that promote small business growth. For these reasons, these two countries will be selected as best practice innovation-driven developed countries for stimulating small business growth.

In the next section the motivation for the two selected efficiency-driven developing countries are presented.

6.3.2 Motivation for selected efficiency-driven developing countries

The motivation for the two efficiency-driven developing countries selected based on the three entrepreneurial activities is presented in Table 6.2.
Table 6.2: Entrepreneurial activities of selected efficiency-driven developing economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Established business ownership rate</th>
<th>Discontinuation of businesses</th>
<th>Female TEA opportunity (% of TEA females)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>17.51</td>
<td>4.14</td>
<td>62.71</td>
</tr>
<tr>
<td>China</td>
<td>11.59</td>
<td>1.45</td>
<td>60.95</td>
</tr>
</tbody>
</table>

Adapted from: Singer et al. (2014:81, 85)

Brazil ranked third in established business ownership rate of 17.51 per cent among efficiency-driven economies in 2014. The country has a low business discontinuation rate of 4.14 per cent. A high percentage of females (62.71%) are engaged in opportunity entrepreneurial activities. In China, the established business ownership rate stands at 11.59 per cent, with a very low 1.45 per cent rate of business discontinuation. A high (60.95%) percentage of females are engaged in opportunity entrepreneurial activities. These factors can explain the booming Chinese entrepreneurial economy (Welsh, Munoz, Deng & Raven, 2013:30). Thus the presence of high entrepreneurship practices in both economies depicts favourable entrepreneurial environments that promote small business growth. For these reasons, these two countries will be selected as best practice efficiency-driven developing countries for stimulating small business growth.

In the next section the motivation for the two selected factor-driven developing countries are presented.

6.3.3 Motivation for selected factor-driven developing economies

The motivation for the two factor-driven developed countries selected based on the three entrepreneurial activities are presented in Table 6.3.
Table 6.3: Entrepreneurial activities of selected factor-driven economies

<table>
<thead>
<tr>
<th>Country</th>
<th>Established business ownership rate</th>
<th>Discontinuation of businesses</th>
<th>Female TEA opportunity (% of TEA females)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana*</td>
<td>25.9</td>
<td>8.3</td>
<td>59</td>
</tr>
<tr>
<td>Nigeria*</td>
<td>17.5</td>
<td>7.9</td>
<td>74</td>
</tr>
<tr>
<td>Vietnam</td>
<td>22.15</td>
<td>3.55</td>
<td>69.43</td>
</tr>
</tbody>
</table>

* 2013 figures

Adapted from: Amoros & Bosma (2013:30, 82); Singer et al. (2014:81, 85)

Vietnam had a high business establishment rate of 22.15 per cent and a low business discontinuation rate of 3.55 per cent. Females are more opportunity entrepreneurial-oriented at 69.43 per cent. In the GEM 2014 global report, Vietnam had the highest total entrepreneurial activity of 15.1 percentage of female adult population amongst factor-driven economies in Asia and the Oceania Region (Singer et al., 2014:85). The only other country worth consideration in the 2014 GEM report was Uganda, but could not be selected as the aim of this study is to learn from other countries’ best practices to stimulate small business growth in Uganda. For this reason, the GEM 2013 report was scrutinised. Ghana and Nigeria did not participate in the GEM 2014 survey, but proved worthwhile considering in the 2013 GEM report.

Ghana had a very high established business ownership rate of 25.9 per cent and low business discontinuation rate of 8.3 per cent. The opportunity entrepreneurial activity for females is average at 59 per cent. Akudugu, Egyir and Mensah-Bonsu (2009:286) mentioned that in the developing country context, lessons can be learned from Ghana’s success with business development programmes. Similarly, Nigeria as shown in Table 6.3, had a high established business ownership rate at 17.5 per cent with very low 7.9 per cent business discontinuation rate. The low business discontinuation illustrates an environment that supports business growth. Additionally, female engagement in opportunity entrepreneurial activities is high at 74 per cent. Nigeria is the largest country on the African continent endowed with immense natural resources and high business growth (Nwoye, 2007:170). Thus the presence of high entrepreneurship practices in these
economies depicts favourable entrepreneurial environments that promote small business growth. For these reasons these three countries will be selected as best practice factor-driven developing countries for stimulating small business growth.

In the next section, a detailed discussion of what can be regarded as favourable SME conditions for business growth follows. These favourable SME conditions for business growth will be utilised to describe the best practice strategies of the selected global countries in Section 6.5.

6.4 FAVOURABLE SME CONDITIONS FOR BUSINESS GROWTH

Amoros and Bosma (2013:13) outline that entrepreneurial framework conditions (EFCs) are essential in understanding business growth. The state of these conditions directly influences the existence of entrepreneurial opportunities, entrepreneurial capacity and preferences, which in turn determines business dynamics. Likewise, Singer et al. (2014:58) reported the following EFCs are essential for business growth:

- access to finance;
- government policies and entrepreneurship programmes;
- entrepreneurship education;
- research and development transfer;
- commercial and legal infrastructure;
- market openness;
- physical infrastructure, and
- cultural and social norms.

In the subsequent sections these EFCs are discussed. It must be noted that the business size classification of SMMEs differ amongst countries. For this reason the information that follows will use either SME or SMME depending on the source information.
6.4.1 Access to finance
According to Singer et al. (2014:57), SMEs can access finance such as equity, debt, grants and subsidies to grow their businesses. This was affirmed by Kim (2014b:29), that a sound financial infrastructure with efficient payment systems, credit information bureaus, collateral registries and regulatory framework fosters small business growth. This is in line with findings in a study by Schwab (2014:6) that an efficient financial sector allocates resources saved by a nation’s citizens, as well as those entering the economy from abroad, to their most entrepreneurial uses. Therefore with access to finance, female entrepreneurs are able to finance ongoing activities and innovate sustainable growth.

6.4.2 Government policies and entrepreneurship programmes
The creation of laws, policies and programmes is crucial for the support of small businesses. Singer et al. (2014:57) stated that the extent to which government policies support entrepreneurship as an economic issue with favourable regulations in place, promotes business growth. Indrawati (2014:2) supported this view and identified 11 regulations that influenced the ease of doing business in a business’s life cycle namely starting a business, obtaining construction permits, getting electricity, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency, and employing workers. With the exception of starting a business, all other ten regulations are applicable to business growth. Therefore, economies that rank the highest on these regulations are regarded as easier to do business with in the private sector. In addition, the stability of macroeconomic regulations such as the government budget balance, gross national savings, inflation rate, government debt and country credit rating improve business growth and the overall competitiveness of a country (Schwab, 2014:6).

6.4.3 Entrepreneurship education
Entrepreneurship education refers to the extent to which training in managing SMEs is incorporated within the education and training system at all levels (Singer et al., 2014:57).
Furthermore, entrepreneurship education encompasses basic schooling (primary and secondary) and post-secondary (higher education such as vocational, college, and business school levels) and the presence and quality of entrepreneurship programmes at all government (national, regional, municipal) levels can directly assist existing small businesses. Schwab (2014:7) asserted that the quantity and quality of education received by the population, is increasingly important for economies that want to grow the small business sector. As a result, if entrepreneurs are skilled and knowledgeable, they are able to be innovative, hence growing their businesses.

6.4.4 Research and development transfer
Research and development transfer is determined by the extent to which it leads to commercial opportunities and is made available to SMEs (Singer et al., 2014:57). Therefore, sufficient investment in research and development, especially by the private sector, the presence of scientific research institutions, extensive collaboration in research and technological developments between universities and industry and the protection of intellectual property enable small businesses to determine their growth trajectory (Schwab, 2014:9).

6.4.5 Commercial and legal infrastructure
Commercial and legal infrastructure is associated with the presence of property rights, commercial, accounting, institutions, legal and assessment services that support or promote SMEs (Singer et al., 2014:57). Schwab (2014:6) points out that the quality of legal institutions has a strong bearing on competitiveness and business growth. This is because legal institutions develop strategies and policies which influence business investment and production decisions.

6.4.6 Market openness
Market openness is related to the extent to which businesses are free to enter existing markets (Singer et al., 2014:57). Market openness allows small businesses to explore
new markets, hence enabling businesses to grow. Schwab (2014:8) maintains that considering foreign markets in addition to domestic markets, opens up commercial opportunities and gives small businesses a competitive advantage. With a broader market to serve, small businesses can grow their operations.

6.4.7 Physical infrastructure
The availability of physical infrastructure refers to the presence of physical resources such as communication, utilities, transportation, land or space (Singer et al., 2014:57). The ease of doing business is influenced by the availability of physical infrastructure at a price that does not discriminate against SMEs. An extensive and efficient infrastructure encourages investment, productivity and growth (Indrawati, 2014:82; Schwab, 2014:6). Schwab (2014:6) reported that a well-developed infrastructure negates the effect of distance between regions through integration and connections of markets. Schwab (2014:5) mentioned that effective modes of transport including quality roads, railroads, ports, and air transport enable entrepreneurs to get their goods and services to the market in a secure and timely manner and facilitate the movement of workers to the most suitable jobs.

Furthermore, economies also depend on electricity supplies that are free from disruptions so that businesses and factories can work uninterrupted. The availability of infrastructural investment in remote areas can result in an increase in and having a diversified range of private investments in productive activities (Cook, 2011:305). A stable and extensive telecommunications network allows for a rapid and free flow of information, which increases overall economic efficiency by helping to ensure that small businesses can communicate and make decisions by taking into account all available relevant information (Schwab, 2014:5).
6.4.8 Cultural and social norms

Cultural and social values can encourage or discourage actions leading to better business methods or activities that can potentially increase personal wealth and income (Singer et al., 2014:57). The cultural and social status of females greatly influences their choice of potential economic opportunities (Muntean, 2013:39). The emergence and widespread acceptance of the principle of global social inclusion has an economic basis whereby people obtain the right social services to be able to operate their business activities more effectively (Schwab, 2014:53). Some governments and private institutions are encouraging an entrepreneurial culture of innovation and risk-taking through the creation of prizes for research and development, and even if these businesses fail, they obtain tax write-offs (Kim, 2014a:86).

Based on the preceding discussion, global best practice strategies for small business growth in developed and developing countries will be discussed in the next section with reference to government SMME policies and programmes specifically with regards to entrepreneurship programmes, entrepreneurship education and research and development transfer, access to finance; market openness for business or market growth, physical infrastructure development to facilitate mobility and commercial and legal infrastructure, and cultural and social values, to indicate the influence it has on females in society and business.

6.5 GLOBAL BEST PRACTICE STRATEGIES FOR SMALL BUSINESS GROWTH

The current study focused on global best practice strategies regarding small business growth in seven selected leading countries whose choice was motivated in Section 6.3. Table 6.4 provides a summary of the selected best practice countries.
Table 6.4: Summary of selected global best practice countries

<table>
<thead>
<tr>
<th>Region</th>
<th>Developed countries</th>
<th>Developing countries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Innovation-driven</td>
<td>Efficiency-driven</td>
</tr>
<tr>
<td></td>
<td>stage</td>
<td>stage</td>
</tr>
<tr>
<td>Africa</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>Trinidad and Tobago</td>
<td>Brazil</td>
</tr>
<tr>
<td>North America</td>
<td>Canada</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own construction

A detailed discussion of the global best practice strategies in terms of the favourable SME conditions for small business growth in the above-mentioned countries follows. The discussion will commence with an overview of the country, followed by highlighting the status of female entrepreneurial activities. A brief overview on the barriers to small business growth and in particular to female-owned businesses in the country will also be presented. This will be followed by the best practice strategies that these countries have adopted to overcome barriers and encourage small business growth and where possible pertaining to female entrepreneurs.

6.5.1 Best practice strategies for developed countries (innovation-driven)

An overview of Trinidad and Tobago and Canada as selected global best practice innovation-driven developed economies follows.

6.5.1.1 Trinidad and Tobago

Trinidad and Tobago is a small, high-income innovation-driven economy of 1.4 million people, with a GDP of 28.8 (US $ billions), one of the highest in Latin America and the Caribbean countries (Schwab, 2015:346). The economy is heavily reliant on petroleum and natural gas production (Stevenson & Bailey, 2014:1). The total female entrepreneurial activity in Trinidad and Tobago is 16 per cent (Bailey & Pacheco, 2013:18). The growth of small businesses, especially female-owned businesses, has been hampered by a number of barriers and several strategies were adopted to overcome these barriers to small business growth.
a) **SMME policies and programmes**

Government was concerned about the barriers to small business growth in Trinidad and Tobago and has paid attention to formalising, strengthening, supporting and empowering the sector through formulating the 2013-2016 Micro and Small Enterprise Policy based on global best practices. The reason for this was to integrate the existing business support services and to create a cohesive ecosystem supporting both entrepreneurship and small business growth (Ministry of Labour and Small and Micro Enterprise Development, 2013:9, 25). The policy addressed the needs of small businesses related to four key areas namely, the business environment, financing business development and support services, and governance and advocacy (Ministry of Labour and Small and Micro Enterprise Development, 2013:25). To further ensure support for the small business sector, government involved the coordination of the following three institutions (Ministry of Labour and Small and Micro Enterprise Development, 2013:21):

- The Ministry of Labour and Small and Micro Enterprise Development (MOLSMED) which oversees the development of the sector;
- The Enterprise Development Division (EDD) which falls under MOLSMED and is responsible for the development of MSE policies and programmes, as well as liaising with government and other stakeholders to ensure that MSEs are favourably influenced and included in private sector policies and programmes, and
- Trinidad and Tobago Micro and Small Enterprise Council whose role it is to propose strategic options and priorities on how to improve SMME development institutions, provide stakeholders feedback on MSE development programmes and inform them on mechanisms to ensure harmonisation of the sector.

The government of Trinidad and Tobago improved the business registration and business licensing process by implementing an online platform with a secure Single Electronic Window (SEW) user-friendly interface, the TTBizLink, that gives entrepreneurs 24/7 access and reduced registration time from 38 days to 14.5 days (Cadiz & McLeod, 2011:18; Ministry of Labour and Small and Micro Enterprise Development, 2013:29).
Government also simplified the preregistration formalities by providing information and publications on business procedures for registered and certified small business in areas such as statutory and tax reporting requirements, certification process, starting and terminating a business and how to conduct paperless transactions (Indrawati, 2014:74).

All these strategies, resulted in providing small business entrepreneurs access to vital and timely information to improve their operations, be more efficient in business-to-business transactions and in making investment decisions and improve their competitive position as it was easier to do business in a more transparent environment (Cadiz & McLeod, 2011:18). It further improves government’s interaction, cooperation and coordination among ministries and agencies dealing with business and trade related matters.

A National Integrated Business Incubator System was set up to provide operational support to entrepreneurial and innovative small businesses to improve their ability and competitiveness (Howai, 2014:5). A draft green policy for small businesses was also developed to guide them on economic greenlining, green certification, utilising green technologies and renewable resources which can provide business growth opportunities (Gesseneck, 2013:9). In Trinidad and Tobago a new insolvency law strengthened the protection of secured creditors’ rights in insolvency proceedings, thereby giving greater flexibility in enforcement actions (Basu, 2015:7)

b) Access to finance
The government of Trinidad and Tobago through the National Entrepreneurship Development company Limited (NEDCO) which is the financing arm of the Ministry of Labour and Small and Micro Enterprise Development policy on MSEs, increased their lending limit to offer more support to existing successful small business entrepreneurs interested in growing their businesses (Howai, 2014:5). They also created a comprehensive information database for small business funding opportunities (Ministry
Government further established a business development fund to implement public-private partnerships for financial and in-kind support, capacity building, creativity, design and innovation, technology upgrading, research and development, feasibility studies, market/product validation and commercialisation to promote small business growth and increase the number of financial institutions and groups providing small business finance to seventeen (Ministry of Labour and Small and Micro Enterprise Development, 2013:15).

Government also promoted the use of commercial banks, credit unions, microfinance institutions and hire purchase facilities to small businesses (Verrest, 2013:62). Private sector funding options have been made available through a venture incentive capital programme, financial cooperatives, corporate social responsibility funding, and SME access to the stock market (Howai, 2014:5). The Fair Share revenue programme was established to provide opportunities for SMEs to obtain business from government, promote innovativeness to spur long-term business growth and provide register participants with a tax credit which can lead to an improved financial status (Bailey & Pacheco, 2013:61).

c) **Market openness**

To ensure that small businesses access markets for small businesses, the government developed a National Export Strategy and embarked on three approaches (Ministry of Labour and Small and Micro Enterprise Development, 2013:27). Firstly, the government focused on the facilitation of entry in both domestic and international markets with an operational public procurement system (Fair Share Programme) which provides market opportunities for small businesses and encourages entrepreneurial development (Howai, 2014:5). Further still, certified small businesses are assisted in showcasing their goods and services online, at trade fairs and on mobile market-places to register for international trade fairs. The Export Centers Company Limited trains unemployed and employed females to become entrepreneurs in crafts through its technical and business skills
programme (Verrest, 2013:62). Secondly, they identified suitable geographical locations for small businesses and created an online shopping mall for domestic goods and services. Lastly, they improved information quality through ICTs to penetrate foreign markets.

Also, a database of services on the government portal was built for small businesses (Ministry of Labour and Small and Micro Enterprise Development, 2013:36). Only businesses recognised by professional bodies, National Training Agency or any statutory authority are included in the portal. In addition, government sets managerial, operational and quality standards for SMMEs and those that meet the standards are certified to provide services. This facility enhances their access to market opportunities.

d) Infrastructure development
A capital contribution scheme was introduced after extensive research on global best practices whereby electricity cost was distributed between existing and potential future customers to lower telephone line connection cost for connecting standardised warehouses (Indrawati, 2014:54). There was active electricity governance with stakeholder involvement including small businesses from the onset, as well as clear communication about the reform.

e) Cultural and social values
Government identified policy imperatives to improve the business environment and specifically support female entrepreneurs (Dunn & Thomas, 2013:3). The relevant government ministries incorporated entrepreneurship into the school curricula as a core element to advance a culture of risk-taking, creativity, resourcefulness and innovation (Ramkissoon-Babwah & Babwah, 2013:44). In the draft MSE policy 2013-2016, specific strategies were set for social empowerment of female entrepreneurs (Stevenson, 2014:8).
The enabling competitive business strategy was implemented with a focus on the creation of institutions with social inclusion (Cadiz & McLeod, 2011:12) to provide equitable access to entrepreneurial opportunities to increase the sources of economic wealth and number of dynamic entrepreneurs, and to enhance routes to social mobility (Ramkissoon-Babwah & Babwah, 2013:43). The social policy strategy focused on the promotion of entrepreneurial teams to form networking communities (Ramkissoon-Babwah & Babwah, 2013:44). Government created a female mentorship network system of regional and international mentors which addressed the particular needs of female entrepreneurs and provided platforms for discussion on the trends, prospects and challenges in the business environment to increase the performance of female entrepreneurs (Ministry of Labour and Small and Micro Enterprise Development, 2013:47).

**Figure 6.2: Entrepreneurial social values in Trinidad and Tobago**

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>Entrepreneurship a good career choice</td>
</tr>
<tr>
<td>70%</td>
<td>High social status for successful entrepreneurs</td>
</tr>
<tr>
<td>66%</td>
<td>Media reports contribute positively to entrepreneurship</td>
</tr>
</tbody>
</table>

Adapted from: Singer *et al.* (2014:29)

As can be seen in Figure 6.2, these policy imperatives resulted in entrepreneurship being highly valued as a desirable career choice (80%), successful entrepreneurs enjoying a high social status (70%) and media reports contributing positively to developing an entrepreneurial culture (66%). This has contributed towards instilling entrepreneurial social values for small business entrepreneurs wishing to grow their businesses. Stevenson (2014:6) agrees that cultural and social norms nurture entrepreneurial attributes and attitudes.
In a nutshell, many strategies were implemented in Trinidad and Tobago to overcome barriers to small business growth and encourage female entrepreneurship. These strategies included increased government interaction with the small business sector and small business assistance to improve their operations and competitiveness. Small businesses were provided with greater access to finance, more finance options and better loan rates. Greater access to markets was promoted through a favourable national export strategy and less costly infrastructure for small businesses. Lastly, by changing the perceptions of entrepreneurs on the role of females in contributing to economic growth has changed attitudes, social and cultural values in society positively. Females were provided with networks, mentors and a discussion platform to be alerted to opportunities to grow their small businesses.

In the next section, the best practice strategies to overcome small business growth barriers in Canada are discussed.

6.5.1.2 Canada

Canada is a high-income innovation-driven economy of 35.1 million people, with a GDP of 1,825.1 (US $ billions), located in the North American Region (Singer et al., 2014:11; Schwab, 2014:146). The Canadian economy relies on business sophistication and innovation (Amoros & Bosma, 2013:31; Langford, Josty & Holbrook, 2013:9). The total female entrepreneurial activity in Canada is 10 per cent. The growth of small businesses, especially female-owned businesses, has been hampered by a number of challenges and several strategies were adopted to overcome these challenges to small business growth as discussed below.

a) SMME policies and programmes

Dafna (2008:307) points out that business development support to entrepreneurs from the Canadian government, private and education institutions is essential for the business growth of entrepreneurs. The Atlantic Canada Opportunities Agency was created in 1987
to support and promote opportunities for economic development with particular emphasis on SMEs, through policy, programme and project development and implementation (Conteh, 2012:466). The agency’s main activities are business development, community development, policy, advocacy and coordination. The Canadian government created rules that facilitate interactions in the market place without hampering the development of the private sector (Indrawati, 2014:21) and redefined its policy visions with innovative longer-range business planning development strategies (Conteh, 2012:467). The SMME policy in Canada was also segmented to target specific groups of the population and developed with participation at federal, regional, provincial, as well as sectorial levels (Lever, 2007:29). Entrepreneurship support is, however, dealt with at provincial level (Rasmussen, 2008:514).

Canada’s legal and social system is bias free as there is uniformity in the application of law across all courts (Sauter, 2010:303). For instance, the system allows electronic filling of complaints, and dedicated systems for commercial cases in a specialised commercial court, division or judges, which make it easy to enforce contracts (Indrawati, 2014:17). The business registration process enabled the creation of a database that gives a comprehensive and accurate state of affairs of all businesses in Canada (Business Register Division, 2010:9). Specifically, the registration process made it easy to pay taxes as there is a specific tax rate according to business size; the tax system allows self assessment and electronic filling and payment (Indrawati, 2014:17).

There is also a high level of government support for higher education entrepreneurial programmes and the setting up of specific institutions promoting entrepreneurship or offering training to entrepreneurs (Dafna, 2008:308). Likewise, the first state-funded female entrepreneurship centers were launched through the Women Entrepreneurship Initiative (WEI) programme (Braidford et al., 2013:153) as a means of filling service gaps, as well as developing existing female-owned businesses. The centers provide funding for higher risk businesses with intensive, one-on-one counselling, business planning support,
follow-up, growth and networking opportunities. The government of Canada also launched the Small Business Internship Programme which is a collaborative effort of Canadian small businesses, post-secondary institutions and non-governmental organisations to help SMEs acquire e-commerce expertise and to being coached (Ifinedo, 2011:272).

**b) Access to finance**

The Canada Small Business Financing programme was implemented as a SME-focused loan loss sharing program that transfers default risk from lenders to government to encourage lending to SMEs (Karakaya & Yannopoulos, 2012:20). The Community Adjustment Fund was established with each community agency working closely with the provincial- and municipal governments, as well as the private sector and community groups in identifying the loan amount required and overseeing loans to existing businesses, and the impact thereof in job creation and opening up employment opportunities in communities (Conteh, 2012:469).

Canada developed the best banks globally with sound balance sheets, effective regulation and supervision of securities exchange, a good degree of legal rights protection for borrowers and lenders' rights, inflation control and hence built considerable credibility (International Monetary Fund, 2014:43; Schwab, 2013a:500) which bodes well for small businesses in need of finance. Entrepreneurs with a good business plan can, without collateral, also obtain finance from Canada’s local equity market or get a bank loan to exploit more growth opportunities (Schwab, 2013a:500). In addition, the Canadian government developed federally funded assistance programmes to support existing small businesses (Braidford *et al.*, 2013:150).

Notably, the activities of the Canadian Women Entrepreneurship Initiative Centers also include giving small loans to high-risk existing entrepreneurs lacking collateral by advancing either the entire amount of funding needed or to supplement funding (Braidford
et al., 2013:154). An alternative access to finance strategy was venture capitalists providing venture capital in Canada (Kim, 2014b:134). The Business Development Bank of Canada delivers financial services to support entrepreneurship and SMEs by operating as a complementary lender in the marketplace, offering loans and investments that supplement or complement services available from private sector financial institutions (Seens, 2014:22). Besides, Canada reformed the movable collateral framework to enable businesses leverage their assets to access finance (Indrawati, 2014:17; Kim, 2014b:123).

c) Market openness

Equally, government initiated an export support programme targeting all businesses, designed to facilitate export activities of Canadian businesses through the Canadian Export Association (Karakaya & Yannopoulous, 2012:12) to become more active in the international markets (Keen & Etemad, 2012:581). Further, Canada’s international commitments are embedded with regional economic integration programmes to increase the number of exporting businesses, diversify the market base and sector product lines, and raise the level of international investment and innovation activities in the regions through the Canada-Atlantic Provinces Agreement on International Business Development, the Innovative Communities Fund and the Sector Export Strategies (Conteh, 2012:469). Government also emphasises the promotion of regional development through non-discriminatory partnerships with domestic and international members of the private sector and community groups.

Private sector participation led to a cross-sectoral accumulation of strategic resources in terms of knowledge and expertise. Campaniaris, Hayes, Jeffrey and Murray (2011:23) found that SMMEs in Canada used the following strategies for competitive growth:

- having a strong manufacturing base overseas;
- having a lean overhead structure;
- excelling in and controlling the creative design;
- managing the supply chain and logistics;
• offering products with a value quotient;
• focusing on marketing and specifically brand development;
• using marketing intelligence;
• having a knowledgeable and active sales team;
• using information technology and systems, and
• having business finances available.

Further still, the Canadian market offers diverse opportunities to entrepreneurs in the form of regional industrial clusters, accelerators, and Women Entrepreneurship Initiative Centers. Regional industrial clusters attract a higher labour supply, lead to lower wage rates, enable specialisation and division of labour and enhance the competitiveness of the cluster of small businesses (Keen & Etemad, 2012:573). Accelerators offer structured training programmes to small businesses that aim to speed up their growth in national or international markets (Schure & Dodaro, 2014:8). The Women Entrepreneurship Initiative Centers enter into partnerships with specialised agencies and offer networking opportunities for small businesses (Braidford et al., 2013:154).

d) Infrastructure development
Canada being the world’s sixth largest energy producer and one of the world’s main exporters of energy (Canada Energy Report, 2012:1) enables the growth of sustainable entrepreneurial businesses, regardless of size. Schwab (2014:428) reported that the quality of Canada’s infrastructure developments of transport network with extensive and efficient quality roads, railways, good seaport facilities, high quality air transport with scheduled available airline seats, with extremely reliable electricity supply and telephony, is ranked among the best in the world. The country has a 75 per cent mobile telephone subscription and a very high rate of active fixed telephone usage. All these infrastructure developments are enhancing all business activities. To further ensure that infrastructure is excellent, Canada’s Building Code Commission members have the appropriate
technical expertise and are appointed from both the regulatory and industry sectors (Indrawati, 2014:50).

e) **Cultural and social values**

Small businesses operate in Canada’s diverse and multicultural society (Gulata, 2012:1). According to Dafna (2008:308) attitudes toward entrepreneurship are positive in Canada. In Canada, 50 per cent of female business owners have less than 10 years working experience, with only 18 per cent seeking business-related financing due to their risk aversion attitude and if funding is approved they tend to receive a smaller dollar amount (Gulata, 2012:3). Female-owned businesses are concentrated mainly in professional- and food services, and accommodation (Gulata, 2012:3). Figure 6.3 shows Canadians entrepreneurial social values.

**Figure 6.3: Entrepreneurial social values in Canada**

<table>
<thead>
<tr>
<th></th>
<th>57%</th>
<th>70%</th>
<th>68%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship a good career choice</td>
<td>High social status for successful entrepreneurs</td>
<td>Media reports contribute positively to entrepreneurship</td>
<td></td>
</tr>
</tbody>
</table>

Adapted from: Singer *et al.* (2014:29)

As can be seen in Figure 6.3, the society in Canada promotes a high social status for successful entrepreneurs at 70% followed by media reports contributing positively to entrepreneurship at 68% and relatively consider entrepreneurship a good career choice.

Canada uses two official languages (English and French) to make it easier to transact and make available inter-regional data on trade flow to enable the business community to increase their trade volume (Sauter, 2012:303). Industries that require a lot of
communication with business partners prefer to trade more with Canadian provinces that have a high proportion of same-language speakers. This makes it easier to learn from other entrepreneurs speaking the same language and to emulate them while growing their businesses as it enables society to attain economic and social benefits associated with growth (Keen & Etemad, 2012:570). For instance, Canadian females are consistent in values, people-oriented and open to changes and they manage their businesses by keeping promises made to customers (Dafna, 2008:320).

In Canada, the first state-funded WEI centers were launched in the Western provinces in 1995 with the aim to support "less sophisticated business owners", mainly being catering, retail and personal services businesses. These WEI centres provide funding and offer networking opportunities (Braidford et al., 2013:153). Mayfield and Mayfield (2012:398) confirmed that the Canadian individualistic culture places a high priority on self-career development and taking initiative.

To summarise, the Canadian government developed and implemented SMME focused policies and programmes. For instance, Canadian agencies are coordinated to support the small business sector in terms of legislation, entrepreneurship education and skills programmes. More so with programmes oriented towards the development of female entrepreneurs. Also, a wide range public and private innovation-driven financing options were adopted to ensure access to finance to enable small business growth such as: the Canada Small Business Financing programme and the Community Adjustment Fund, developed a sound bank system which controlled inflation. Entrepreneurs can also access finance through the local equity market, the Canadian Women Entrepreneurship Initiative Centers, venture capitalists and angel investors. Both domestic and foreign markets are developed for entrepreneurs to exploit. The country has an efficient infrastructure network and positive social values towards an entrepreneurial culture.

In the next section, best practice strategies for small business growth specific to developing countries (efficiency-driven), will be discussed.
6.5.2 Best practice strategies for developing countries (efficiency-driven)

An overview of Brazil and China as selected global best practice efficiency-driven developing economies follows.

6.5.2.1 Brazil

Brazil is classified as an upper middle income and efficiency-driven economy of 198.3 million people with a GDP of 2,242.9 (US $ billions) situated in the Latin America and Caribbean Region (Singer et al., 2014:134; Indrawati, 2014:180). The economy mainly depends on natural resources activities. The total entrepreneurial activity in Brazil is 17.45 per cent among females (Singer et al., 2014:85). Although Brazil is rapidly advancing (Malik, 2013:1), scholars have identified a number of factors that create small business growth challenges, especially for female-owned businesses. Notwithstanding these barriers, Brazil embarked on a number of strategies to stimulate small business growth.

a) SMME policies and programmes

Brazil implemented country-level policies and programmes aimed at the development of a human capital system through education (Ardichvili, Zavyalova & Minina, 2012:219; Indrawati, 2014:95; Kim, 2014a:164). In 1995 the Ministry of Labour adopted the National Plan for Vocational Education to create a system of lifelong learning for citizens’ employability, and then in 1988, the right to education guaranteed by the Constitution as one of the fundamental rights of Brazilian citizens. The government created the Small Business Support Agency to provide support programmes and services to small businesses (Cravo, 2010:711). This agency launched a website with statistics, official studies and facts about the world of small business.

The Brazilian government also implemented a simplified tax system for SMEs, the SIMPLES (De Paula & Scheinkman, 2011:9) which consolidated several taxes and social security contributions into a single monthly payment and reduced the tax burden and labour costs for small businesses (Indrawati, 2014:37). This tax reform lead to a 13 per
cent increase in retail businesses obtaining a business license (Indrawati, 2014:33). Further still, the process to obtain a business license was made easier by reducing the registration steps with an accompanying reduction in registration costs (Khamis, 2014:5; Kim, 2014a:182). These credible policies, as well as programmes increased the confidence of entrepreneurs in the Brazilian government (Montes & Bastos, 2013:349).

b) Access to finance
To promote small business growth in Brazil, the Central Bank of Brazil, Ministry of Finance and Ministry of Justice implemented policies that enabled easier access to finance in Brazil by providing innovative products for small businesses to exploit entrepreneurial activities countrywide (Kim, 2014b:101). Zambaldi et al. (201:314) confirmed that Brazilian small businesses have access to finance from private banks, the public sector, and credit bureaus. According to Barreto and Onzario (2015:30), the sources of finance in Brazil are influenced by the stage in which the business is. Therefore, as the business grows, finance is obtained from business angels, accelerators, venture capital funds, private equity funds, bank loans and access to capital markets. Access to financial strategies that enable small businesses to grow in Brazil also include (Barreto & Ozorio, 2015:36: Kim, 2014a:123; Kim, 2014b:47: Ryder, 2014:41):

- Conditional cash transfers or workfare programmes, as part of the Bolsa Familia Programme, promoted entrepreneurship as small businesses can use it as funding;
- Tecnova was launched by the Brazilian Innovation Agency to provide financial resources directed to technological innovation and training of small businesses;
- The Brazilian Development Bank boosted the use of capital markets by SMEs by simplifying the procedure of public shares offering, reducing the maintenance costs of publicly-held businesses;
- The Investment Support Programme provided loans to small businesses and real guarantees were waived through the Guarantee Fund for investments, and
• The Brazilian Development Bank Card was introduced for innovative SMEs to use for the hiring of applied research, development and innovation services and the purchase of domestic machinery and equipment.

Kim (2014b:82) also noted that financial education programmes implemented in Brazil enhanced financial knowledge, attitudes and behaviour among entrepreneurs.

c) Market openness

Brazil has strong domestic markets driven by a fairly sophisticated business community, with pockets of innovation excellence in many research-driven high value added activities due to the emerging mass middle class who as business owners and consumers with more disposable income, increase the domestic market size (Klosters, 2014:8; Robles, 2013:1565, 1569; Schwab, 2013a:38). A study by Federico et al. (2012:583) in Brazil found that growing businesses in Brazil have well-educated entrepreneurs with entrepreneurial experience, an adequate team size, networking abilities and who are competitive.

Entrepreneurs seeking resources, markets, and efficiencies from emerging economies such as Brazil, India, and China have diversified out of their domestic markets and expanded business into each other’s markets (Akhter & Barcellos, 2011:502). The expansion of these businesses into each other’s markets created a new form of competition, putting Brazilian businesses not only against multi-nationals from developed economies, but also against businesses from other emerging economies. Due to the growth in exports of natural resource commodities to Asia and other emerging economies, with China as its largest bilateral trading partner, Brazilian businesses reoriented their productive structures to meet Asian demand and reconfigured their assets, increase their marketing performance to make them effective in these new markets (Akhter & Barcellos, 2013:1631; Marconatto, Cruz, Legoux & Danilo, 2013:1596; Robles, 2013:1567, 1569).
d) Infrastructure development

Brazil embarked on developing its infrastructure with different strategies. One of the best practice strategies used by Brazil is that during implementation of infrastructure projects, cost effectiveness to connect is ensured by assessing the distance to a grid and population density (Cook, 2011:307). In 2011, Brazil increased the regulation and monitoring of the infrastructure industry hence leading to the formation of mergers and acquisitions for mutual beneficial partnerships in construction (Martins, Boaventura, Fischmann, Costa & Spers, 2012:222). Brazil has good infrastructure characterised by fairly good roads, railways and port facilities with a developed air transport with available airline seats for both domestic and international services.

Also, the country has a reliable quality electricity supply and advanced telecommunications sector (Schwab, 2014:135). Brazil is significantly ahead in the pace and scale of the construction of high railways and roads, giving it priority among other types of infrastructural support with a strong and growing demand for risk-based inspections which ensures infrastructure sustainability favorable for small business growth (Indrawati, 2014:50; Pavlova, Vyukov & Kiselev, 2015:268). There are various road connectivity options in the north of Brazil (Adamatzky & de Oliveira, 2011:1391).

The Brazilian telecommunication sector is characterised by an incremental separation between fixed and mobile telephone services (Aranha, Galperin, Bar & Villela, 2011:33). The Brazilian government established a Universal Service Fund as a means for financing and expanding telecom services (Rauen, Hiratuka & Fracalanza, 2011:111). Some of the successful projects included:

- Broadband at Schools programme which provided broadband access to 55,000 public urban schools;
- Electronic Government Citizen Service project that provided satellite broadband access to low Human Development Index cities;
• Digital Cities project which provided free broadband access to more than 2,000 Brazilian cities, and
• Establishment of a Brazilian National Broadband Plan that provided broadband access to rural, remote and low-income locations.

These telecommunication reforms led to the creation of an independent regulator-Anatel; the privatization of the Telebra’s System and the digitalization of telecom networks (Aranha et al., 2011:33; Carvalho, Feferman, Knight & Woroch, 2014:4; Rauen et al., 2011:11). These reforms opened up communication market opportunities for private service providers and small-scale operators in Brazil.

e) Cultural and social values

The concern for social issues regarding female inequality, small scale business participation mostly in the retail sector with lack of business growth in addition to family responsibilities have received more attention in Brazil (Angelo, Amui, Caldana & Jabbour, 2012:224; Bulgacov, De Camargo, De Meza & Da Cunha, 2014:93; Terjesena & Amoros (2010:321). The federal government set up large social programmes that improved the life conditions of poor females (Marconatto et al., 2013:1601). These programmes such as “bolsafamilia” – a family subsidy tied to health and educational conditions, and “minha casa” – a housing programme improved the females’ status. Bulgacov et al. (2014:93) revealed that necessity is the main factor that motivated females to become entrepreneurs in Brazil. Equally, social-environmental institutions diffused social practices and promoted private social investments based on the belief that government alone would not be enough to promote well-being nor quality of life for society (Angelo et al., 2012:224). As a result such social programmes led to a sophisticated middle class (Robles, 2013:1569) and social stabilisation (Marconatto et al., 2013:1596). These social programmes have improved the entrepreneurial cultures of the people as depicted in Figure 6.4.
Figure 6.4: Entrepreneurial social values in Brazil

<table>
<thead>
<tr>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Entrepreneurship a good career</td>
<td>85%</td>
</tr>
<tr>
<td>High social status for successful entrepreneurs</td>
<td>82%</td>
</tr>
<tr>
<td>Media reports contribute positively to entrepreneurship</td>
<td>84%</td>
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Adapted from: Amoros & Bosma (2013:78)

Figure 6.4 shows that in Brazil they are attaching very high cultural and social values to entrepreneurship. Most importantly, Brazilians highly perceive entrepreneurship as a good career choice at 85 per cent. It is also perceived that the media has highly contributed to entrepreneurship culture at 84 per cent. Successful entrepreneurship enjoys a high status in society at 82 per cent.

Several strategies to promote small business growth have been implemented in Brazil such as the Small Business Support Agency, SIMPLES which made it easier to obtain a business license and also improve the education system through offering vocational entrepreneurial training. Some of the highlighted strategies to encourage small business growth are: the creation of agencies to coordinate access to finance activities, having a competitive retail banking sector, offering conditional cash transfers and incentives, innovation-oriented funds and financial knowledge.

Finance is accessed from a wide range of service providers like private banks, the public sector, credit bureaus, business angels, accelerators, venture capitalists, private equity and capital markets. The wide range of financial resources and programmes implemented foster entrepreneurial innovations and facilitate small business expansion. Brazil’s engagement with bilateral trading partners and infrastructural developments enabled
small businesses to expand into foreign markets. Lastly, in Brazil, they attach a very high social value to entrepreneurship as a good career.

In the next section, the best practice strategies to overcome small business growth barriers in China are discussed.

6.5.2.2 China

China is categorised as an upper middle-income efficiency-driven economy of 1,361 million people, with GDP of 9,181.4 (US $ billions) positioned in the Asia and Oceania Region (Indrawati, 2014:184; Schwab, 2014:154; Singer et al., 2014:85). China’s economic growth is due to extreme saving and investment rates and a reliance on exports for its fast-growing manufacturing sector (Ryder, 2014:55). The total entrepreneurial activity in China is 14.18 per cent among females (Singer et al., 2014:85). China has developed several strategies to reduce the barriers to small business growth.

a) SMME policies and programmes

In 2007, the Chinese central government launched the “Farmer Specialised Cooperative Law” which improved the communities’ livelihoods; create more gender awareness and increased participation of females in all activities and widened cooperative capacity in supporting rural development (Saunders & Bromwich, 2012:332). To expedite the development of SMEs, the 15th National Congress of the Central Party Conference approved the implementation of an economic system that endorsed the important role of SMEs by (Yang & Xu, 2006:174):

- pushing industrial restructuring forward;
- encouraging the creation of new mechanisms in small businesses for technical innovation;
- reinforcing fiscal support;
- increasing funding sources;
- establishing a social service system, and
formulating laws and regulations for a fair competitive environment.

Strategic entrepreneurship education was emphasised and concentrated on resourceful innovation, proactive change and adaptive capability, business performance, as well as performance management (Zhu, Iles & Shutt, 2011:27). Other programmes that contribute towards small business growth in China were (Akhuemonkhan, Raimi, Patel & Fadipe, 2014:361; Haour & Jolly, 2014:3):

- the Spark Programme and the 863 Programme which focused on making China independent of foreign companies in various technological fields, and
- the Torch Programme launched by the Ministry of Science and Technology which aimed to accelerate the integration of advanced technologies in industrial manufacturing processes, new materials, biotechnology, electronics and information technology, integrating electronics, new energy, and environmental protection and enabled Chinese businesses to advance in technologies.

In 2012/2013, China’s institutional framework improved to make it easy to (Schwab, 2013a:34):

- deal with construction permits by having comprehensive building rules;
- obtain an electricity connection by streamlining approval processes;
- pay taxes by allowing self-assessment, and
- resolve insolvency by providing a legal framework for out-of-court workouts.

The education system in China has priorities such as life learning based on Chinese cultural values; vocational training expansion aimed at better matching of employee competences to business requirements; investment in intellectual capital providing closer links between education, scientific and technical innovations and economic development, as well as between education and cultural and social progress. These priorities are aligned to the country’s entrepreneurship education and hinged on three approaches (Lili, 2011:192). The first one focuses on training students in entrepreneurial awareness, builds
up the necessary business knowledge structure and improves the overall quality of students. The second approach focuses on improving students’ business knowledge and entrepreneurial skills. The third approach focuses on innovation education and provides students with the necessary venture capital and the necessary technical advice. The nature of the Chinese entrepreneurial education system creates a competitive entrepreneurial culture which has enabled small businesses to grow.

b) Access to finance

Government asserted its role to specifically grow Chinese international businesses in size and number by leveraging the financial resources accumulated over three decades and by taking advantage of the cheap assets made globally available by the 2008 financial crisis (Yang & Stoltenberg, 2014:164). As a result China has huge, financial reserves (Foster, 2011:126). China reformed its financial system with three features: laws do not impose limits on collateral; creditors can sell collateral through an agreement and secured creditors have first priority to their collateral (Kim, 2014b:123).

Small businesses in China can access finances through the different available resources. The network of traditional private and state bank branches, microfinance providers, personal savings and credit cooperatives are considered as major funding sources for Chinese entrepreneurs (Chu, Kara, Zhu & Gok, 2011:96; Kim, 2014b:67). In addition, the Chinese government made it easier for smaller business to access securities markets (Kim, 2014b:29; Yang & Stoltenberg, 2014:165). China employed angel investment which developed rapidly and attracted foreigners with the many domestic entrepreneurs as primary actors (Li, Ling, Wu & Li, 2014:4). Entrepreneurial experience and wealth were the key factors driving angel investment.

In 2012/13, China improved its credit reporting systems and enhanced access to credit information by adopting laws or regulations to share credit information or protect the borrower’s right to inspect their data (Indrawati, 2013:91). The new credit information
industry regulations guarantee borrowers the right to data access in the credit registry free of charge twice a year. Equally, a number of regulations were put in place for businesses that needed internationalisation support to include: rules of foreign exchange administration relating to capital accounts, and return of guarantee for profit of overseas investment being transferred to China (Yang & Stoltenberg, 2014:165). The government is also heavily involved in providing support to the life-sciences sector through grants and tax breaks (Haour & Jolly, 2014:7). All this support assists small businesses in making informed financial decisions on how to grow their businesses.

c) Market openness

In 1998, China adopted economic reforms that turned a centrally planned economy into a market-oriented economy which resulted in the revival of the private sector (Chu et al., 2011:85). In 2004, the National Development and Restructuring Committee and Export-Import Bank of China issued a circular to promote international businesses to enhance global competitiveness (Yang & Stoltenberg, 2014:168). Further still, since 1978 China put in place incentives to foreign investors and domestic investors that boosted economic growth and development at national and regional levels such as (Foster, 2011:125,130):

- created specialist zones that led to the creation of industry clusters, infrastructural developments and tax benefits;
- established wider geographic development regions like the Pan Pearl River Delta Region set up under the Closer Economic Partnership Arrangement as a conduit to the West and the “Go West” strategy;
- ensured effectiveness of science and technology industry parks as technology transfer agents that delivered useful applied research and incubator innovations, and
- the harmony strategy dealt with the perceived, and indeed real, inter-provincial unfairness in society.

These strategies were implemented to also spur small business growth. China further institutionalised its “Go Global” strategy by supporting Chinese entrepreneurs in different
global markets (Yang & Stoltenberg, 2014:164). Similarly, the Chinese government established Export Processing Zones and Technology Parks where business owners are entitled to specialised support, incentives and privileges (Welsh et al., 2013:31). The special economic zones were designated to attract foreign investment (Yu, 2012:89), but China protects investors by calling for detailed disclosure (Indrawati, 2013:17). China changed its industrial structure by importing more advanced technologies and improving employee skills with the focus on value-added exports (Zhu et al., 2011:24). This improved the overall functioning of the Chinese market (Schwab, 2014:27). In addition, Yu (2012:92) identified four success factors for Chinese small entrepreneurs in the international markets namely:

- having the ability to identify and exploit global profit opportunities;
- possessing spot on market foresight;
- being venturesome and able to think globally, and
- being able to overcome cultural barriers.

Indeed, in their quest for global markets, small Chinese multinational businesses purchase or establish Research and Development centers worldwide (Haour & Jolly, 2014:6). They do so by building global partnerships with businesses and universities. Equally, the Chinese government has facilitated international expansion of Chinese businesses through building financial systems, foreign exchange programmes, evaluation systems and relevant infrastructure (Yang & Stoltenberg, 2014:165).

d) Infrastructure development

China is the leading country worldwide in the construction of high-speed railways and invests 8 per cent of GDP in infrastructure (Pavlova et al., 2015:268). China developed one of the world’s largest and most competitive construction industries with particular expertise in the civil works critical for infrastructure development (Oyeranti, Babatunde & Ogunkola, 2011:183). These infrastructure developments enable the supply and demand of products and services in the small business sector. In addition due to decades of
massive investments, the country enjoys good transport infrastructure and connectivity (Schwab, 2014:28). China is committed to supplying non-fuel energy sources and green-technology such as solar panels and has captured 40 per cent of the world market (Haour & Jolly, 2014:7).

e) Cultural and social values

China’s unique institutional environment is a combination of a socialist legacy, high context culture and transition economy, which encompasses an interplay of individuals and factors conducive for entrepreneurship and small business development (Zhang & Si, 2008:692). Group harmony, social norms, and family loyalty are emphasised in China’s collectivist values (Mayfield & Mayfield, 2012:398). In China, although gender equality is recognised, social attitudes valuing females as wives and mothers confined to their family still prevail. In general, the communities’ attitudes are that females should be responsible for housework and the concept of ‘females as homemakers’ is still quite common (Hendrischke & Li, 2012:7). They added that married Chinese females are responsible for taking care of the children and all household duties including cooking, cleaning, and washing.

China’s has several best practice strategies that are important for the study. For example, China’s social reforms are oriented towards the development of harmonious society with moral ideals and creativity (Ardichvili et al., 2012:222). Further still, females are equal to males in every aspect of life, including business ownership in Chinese society (Chu et al., 2011:88). This strengthens female entrepreneurs’ innovation, competitiveness and growth potential. Singer et al. (2014:29) reported on the cultural and social values for entrepreneurship in China as can be seen in Figure 6.5.
Figure 6.5: Entrepreneurial social values in China

<table>
<thead>
<tr>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Entrepreneurship a good career choice</td>
<td>66%</td>
</tr>
<tr>
<td>High social status for successful entrepreneurs</td>
<td>73%</td>
</tr>
<tr>
<td>Media reports contribute positively to entrepreneurship</td>
<td>69%</td>
</tr>
</tbody>
</table>

Adapted from: Singer et al. (2014:29)

Singer et al. (2014:29) reported that successful entrepreneurs are admired in the community at 73 per cent. Anwar ul Haq, Usman, Hussain & Anjum (2014:189), found that the Chinese do not fear business failure and they want to be their own boss. Media attention plays a critical role at 69 per cent in promoting an entrepreneurial culture, while 66 per cent perceive entrepreneurship as a good career choice. Haour and Jolly (2014:6) revealed that in China education is based primarily on learning by heart and recapping to develop a creativity culture. Students are encouraged to participate in various social activities, seminars, events and various competitions which encourages creativity (Lili, 2011:192).

China established community cooperatives which created non-economic benefits such as increased communication within communities and improved morals (Saunders & Bromwich, 2012:332). It also created more gender awareness as females participated in all activities such as serving on boards or monitoring committees and participating in community affairs. Cooperative members received training, established good relations with local government and township organisations and built strong stakeholder networks.

Some of the best practice strategies implemented by China that have stimulated small business growth have instigated an economic system that enables different agencies to
support the growth of SMEs through several policies and programmes, strategic entrepreneurship education programmes that promoted technological innovations and vocational training, built comprehensive rules for construction permits, streamlined approval processes for electricity connection, eased tax payment through online self assessment, and also provided a legal framework for resolving insolvency. These best practice strategies have enabled small businesses to improve on their operations and ability to compete.

A number of strategies were applied to stimulate small business growth like reforming the financial system, leverage financial resources during the global crisis and create huge financial reserves. Also, several financial sources are available such as banks, microfinance providers, equity, credit cooperatives, access to stock markets and angel investments. China also focused on promoting international business through building global partnerships which were enhanced by building civil works expertise, good transport infrastructure and connectivity. The Chinese are mainly driven by the urge to live in a harmonious society and, therefore, highly respect successful entrepreneurs which provides females with equal innovative opportunities to compete.

In the next section best practice strategies for small business growth specific to developing countries (factor-driven), will be discussed.

6.5.3 Best practice strategies for developing countries (factor-driven)
An overview of Ghana, Nigeria and Vietnam as selected global best practice factor-driven developing economies follows.

6.5.3.1 Ghana
Ghana is a lower middle-income factor-driven economy of 25.6 million people, with a GDP of 44.2 (US $ billions) located in the sub-Sahara African Region (Indrawati, 2014:194; Ryder, 2014:174; Schwab, 2014:192). Ghana has a diverse and rich natural resource
base and an influx of foreign direct investment (Robb, Valerio & Parton, 2014:18). The total entrepreneurial activity in Ghana is 28 per cent for females (Amoros & Bosma, 2013:82). Several strategies have been implemented to reduce small business growth challenges in Ghana as indicated below.

a) SMME policies and programmes

Ghana strives to create a harmonious environment and policies that support the sustainable growth of small businesses because they are the seedbed for economic growth (Asare, 2014a:24). Liberal democracy in Ghana led to political commitment (Akudugu et al., 2009:284) regarding the establishment of small business development programmes which have enabled economic growth (Obeng, Robson & Haugh, 2012:366). For instance, in 1981, the National Board for Small Scale Industries (NBSSI) was established as the main body to direct the activities of small-scale industries in Ghana (Asare, 2014a:25). The Board is a non-profit public sector organisation under the Ministry of Trade, Industry and Presidential Special Initiatives.

In 1991, the Ghanaian Enterprise Development Commission (GEDC) merged with the NBSSI and the NBSSI took over the function of credit granting to small scale entrepreneurs (Oppong, Owiredu & Churchill, 2014:91). In 1994, the Cottage industries merged with the NBSSI to assist in further improving service delivery of SME needs. Cottage industries in Ghana are a dynamic sector of the informal economy managed by artisans or craftsmen who specialise in various handicrafts (Fening, 2015:101). The mergers occurred in order to create a single dynamic integrated organisation (board), capitalised and capable of responding to the needs of the SME sector. In 1995, the Private Enterprises Foundation (PEF) was founded by government and represented by large business associations such as the Association of Ghana Industries (AGI), GNCCI, GUTA, Ghana Chamber of Mines, and the Federation of Association of Ghana Exporters due to their visibility to advocate for Ghana’s private sector (Asem, Busse, Osei & Silberberger, 2013:25).
One of the mostly commonly demanded public services in Ghana is business registration or acquisition of an operating business license (Mensah, 2012:22). The business registration and licensing system in Ghana is decentralised and regarded as extremely reliable as it takes a short time to process applications and is user-friendly. The system also provides government with extensive information and business intelligence on registered businesses’ operations. A registered small business in Ghana reflects compliance, seriousness and is regarded as a structured business venture by banks and exerts confidence to advance loans to (Osei-Assibey, Bokpin & Twerefou, 2012:100).

Furthermore, the Ghanaian government developed policies and programmes aligned to business development support services in an effort to promote the growth of the small business sector such as the (Asare, 2014a:25; Asare, 2014b:21):

- Technology Industrial Service was set up in 1987 and monitors the transfer of technology;
- Private Sector Development Ministry was established in 2001 and serves as a supervising body to promote private sector development;
- President Special Initiative was launched by government to create jobs and also serve as a poverty alleviation scheme through agribusiness and export, and
- Rural Enterprise Development programme promotes rural businesses and provides aid for the growth of small businesses at district level, where each district identifies three business development projects for development in their respective locality and actively pursues it.

Also, trade associations provide a wide range of support services to small business members in Ghana as they are engaged in advocacy with both central and local government on issues ranging from policy to taxes, relationship building through regulation, lobbying on behalf of members, providing business information, facilitating networking, providing training to members and organising trade fairs (Amoako & Lyon 2013:130). They also exercise their regulatory powers by sanctioning members found to
have grossly abused the norms that govern their activities. Trade associations typically work on knowledge building of their members through organising specialised workshops (Abban, Omta, Aheto & Scholten, 2013:85). Furthermore, Ghanaian government policy and small business support organisations, such as the Empretec Ghana Foundation provides training and consultancy services to growth-orientated SMEs (Obeng et al., 2012:366). Several business development support services are also offered to small businesses in the form of apprenticeships and on-the-job training in the following trades (Agyapong, 2010:199):

- mechanic shops (fitting);
- seamstresses and tailoring shops;
- hairdressing and barbering;
- traditional catering (chop bars);
- electrical repairs (radio, television, fridges);
- furniture designs and carpentry;
- plumbing and masonry, and
- merchandising and retail trade.

The government of Ghana also reviewed the entrepreneurship training programme. The country offers entrepreneurship training for existing entrepreneurs to grow their businesses at certificate level in entrepreneurship/small business management and entrepreneurial management, in a rural enterprise programme, and on how to become a sustainable, competitive and responsible business (Robb et al., 2014:68). It further enabled entrepreneurial networks, created a business development center for female entrepreneurs and the opportunity to join the e-circle. The e-circle is an e-trade fair website which acts as a medium between the consumers and manufacturers, suppliers and wholesalers in the world (EWorldTradeFair, 2017). Ghanaian exporters and wholesale service providers can join this business directory for free and provide their contact details and product descriptions for buying and selling trade leads, advertise in
the business classifieds and product catalogues of Ghana. This ensured increased global business opportunities and exposure for Ghanaian SMEs.

b) **Access to finance**

Access to finance is important for the growth of small businesses (Nkuah, Tanyeh & Gaeten, 2013:12). To promote access to finance for small businesses, the Ghanaian government initiated the Financial Sector Adjustment Programme (Osei-Assibey *et al.*, 2012:85) to enhance the soundness and competitiveness of the mainstream banking system through improving the regulatory and supervisory framework, restructuring and providing capital to distressed banks; deregulating interest rates, developing capital markets, and allowing massive foreign banks entry. Ghana is among the ten global economies making the fastest progress in improving regulations pertaining to access to finance (Indrawati, 2014:90).

According to Quaye, Abrokwa, Sarbah & Osei (2014:350) micro finance institutions (MFIs) recognised and took advantage of the gap created by banks in serving the financial needs of small businesses in Ghana. MFIs had a positive impact on SMEs in the area of mobilisation of savings, as their savings schemes are less costly, easily accessible and they take care of small amount savers. Savings help SMEs to increase their capital base since the owners of the SMEs eventually plough back these savings into their businesses.

Further still, several scholars (Agyapong, 2010:198; Akudugu *et al.* 2009:286; Kim, 2014b:123; Narteh, 2013:1067; Osei-Assibey *et al.*, 2012:85) highlighted the following access to finance strategies that facilitated the growth of small businesses in Ghana:

- Ghana has found success in the holistic development of the largest rural and community banking network countrywide which brought the rural population into the mainstream banking system under rules designed to suit their socio-economic circumstances and the peculiarities of their occupation in farming and small business activities;
• The Semi-Formal Finance facility is provided by the non-banking financial institutions, which include savings and loans businesses, credit unions and specialised microfinance institutions as the most active in small business financing as they offer small collateral free loans;

• The informal financial institutions also provided finances to entrepreneurs with the most dominant player, the susu scheme. Under this scheme money is collected from house to house daily or weekly by an individual who kept it in sealed, small wooden boxes to be returned to its owners after 30 days with no interest changing hands (Alabi, Alabi, & Akrobo, 2007:100). This susu scheme offers flexible financial services to entrepreneurs, and enormous social benefits mainly taken up by small traders at the market or roadside stalls. Other informal financial institutions are loan sharks and pawnshops.

• Debt-based financing could be obtained from universal banks, non-governmental organisations, microfinance- and non-bank intermediaries through a business loan for a single purpose over a particular period, with collateral attached;

• Exim Guarantee Company Limited, a state sponsored institution provides a credit guarantee facility to support mostly small loan borrowers and so reduce the risk on loans and ensure increased finance for SMEs, and

• Ghana successfully reformed the movable collateral systems to enable entrepreneurs to use movable assets like vehicles, goods and furniture as collateral in accessing bank loans.

According to Quaye and Sarbah (2014:128), the Ghana Regional Appropriate Technology Industrial Service (GRATIS) foundation was established to upgrade small-scale businesses by transferring appropriate technology to them at grass-root level. The Microfinance and Small Loans Centre increases access to small business finance so that they can take advantage of growth opportunities (Domeher, Frimpong & Mireku, 2014:165).
c) Market openness

Once a business is registered, it is listed in multiple sources such as the Ghana Export Promotion Council, Association of Ghana Industries and Ghana Telecom Directory National Board for Small Scale Industries (Dzisi, 2008:259: Obeng et al., 2012:367) which enables them to reach a wider market at a low cost. Trade associations organise specialised workshops on quality standards requirements in international markets (Abban et al., 2013:85).

The Ghanaian government provided macro policies and incentive packages to boost domestic and export markets for business growth (Abban et al., 2013:75). To ensure a competitive domestic market, government focused on (Frempong, 2009:80):
- promoting a dynamic business culture for innovative market oriented products;
- promoting employment growth within the informal sector;
- developing the SME sector to serve as a means to establish linkages between the formal and informal sectors of the economy;
- improving the technology base, product quality and productivity of the SMME sector, and
- upgrading the application of indigenous technologies.

Thus, a number of Ghanaian entrepreneurs are innovative (Agyapong, 2010:201). They produce medicines, simple agricultural tools like hoes and manufacture leather shoes and sandals for the domestic market. In addition, Obeng et al. (2012:366), confirmed that SMEs use the services of the Chambers of Commerce in Ghana, to obtain business advice. They added that within the domestic markets SMEs use mobile telephony to compare market prices and market their products. This enabled the entrepreneurs to improve their response to market changes in prices (Kim, 2014a:13). Furthermore, some businesses that relied on selling products in export markets developed and introduced a brand identity to market the same products to domestic consumers and so increase demand.
Furthermore, Ghana’s rich history for the past 1000 years as a link to West African and intercontinental markets through the Savannah, Saharan and transatlantic trade routes gives the country a competitive location edge (Amoako & Lyon, 2013:124). To strengthen the private sector government the Ghana Export Promotion Authority and Investment Code was established to promote foreign investment and encourage joint ventures (Amoako & Lyon, 2013:124; Asare, 2014a:25). Consequently, most of the exporting small businesses are members of an association or register with these export agencies and visit trade fairs and conferences to obtain relevant information about the markets (Abban et al., 2013:85). Being a member of these institutions have enabled entrepreneurs to build close personalised relationships with international partners.

d) Infrastructure development

Ghana’s infrastructure is good for the region, particularly the state of ports, and the financial and goods markets are also relatively well-developed (Schwab, 2013a:44). The country’s transportation infrastructure is considered effective, because of the reliable transport arrangements that facilitate timely delivery (Abban et al., 2013:86). The development of transport infrastructure and improvement of service delivery in Ghana has been mainly due to programmes focusing on aviation, maritime and inland waterways, railways and road transport services.

Another key aspect is the national ICT for the Accelerated Development programme which supported the development of the private sector and stimulated different segments of the national economy (Frempong, 2009:80). Equally, Ghana’s telecommunication service improved with mobile telecommunication services, thereby making it relatively easy to communicate with business partners internationally (Erastus, Stephen & Abdullai, 2014:39). With improved ICT adoption by entrepreneurs they can improve their business growth. For example, the two main brands of payphones in Ghana are the fixed line payphones run by Ghana Telecom; and payphones run by independent entrepreneurs using mobile phone technology with the most popular being the “Space-to-Space” mobile
payphone (Sey, 2009:72). These telecommunication developments boost SMMEs business growth.

Ghana’s building inspectorate is legally required to inspect buildings at four stages before the official final inspection (Indrawati, 2014:46). The Ghana Shared Growth and Development Agenda 2010-2013 focused on monetary and financial development; global competitiveness; accelerated agricultural modernisation; sustainable resource management; oil and gas development; infrastructure and energy; human development and employment; as well as transparent and accountable governance (Hansen, 2014:11). Paying attention to these areas has enabled the country to further promote the small business sector.

e) Cultural and social values
In Ghana elements of socio-culture such as religion, beliefs, succession, conflicts, ethnicity, and respect influence small business growth decisions (Forkuoh, Appienti & Osei, 2012:1). Traditionally, females in Ghana are expected to function mainly within the domestic household unit, mothering and nursing children, cooking, processing and storing food, and managing available resources to sustain family members (Dzisi, 2008:258). This author added that females participate in agricultural work, make pottery, weave cloth and engage in other handicrafts depending on the resources available locally.

Additionally, most of the Ghanaian females have children and dependents such as aged parents, husbands, siblings and extended family members who reflect the burden of family and home care responsibilities (Dzisi, 2008:258). Worse still the Ghanaian traditional society does not perceive indigenous females as powerful and influential business leaders because of the low level of education and low societal status. As a result, females are expected to be submissive, docile and supportive of males instead of taking lead roles. Furthermore, female entrepreneurs in Ghana are the major source of
livelihood for a majority of households although their activities are not normally included in national accounts (Boohene, Sheridan & Kotey, 2008:238).

Forkuoh et al. (2012:15) study revealed that religious believes such as belief in gods, ancestors, witchcraft and other spirits; beliefs in taboos; funeral celebrations; having an extended family system; expensive marriage ceremonies; the spirit of love, togetherness, oneness and generosity have impacted negatively on the growth of small businesses in the Ashanti Region in Ghana. Most business failures and decline are usually attributed to these beliefs rather than finding positive ways to solve such genuine business problems.

Given the challenges, the Ministry of Women and Children’s Affairs was established in 2001 as one of the best practice strategies to promote an entrepreneurship culture amongst females and children in Ghana (Davis, 2012:21). The ministry is mandated to initiate, coordinate and monitor gender responsive issues. Also, the government of Ghana promotes a dynamic business culture for innovation among nationals (Frempong, 2009:80). Amoako and Lyon (2013:118) revealed that Ghanaian entrepreneurs operate in a multi-ethnic context, with a diversity of religions, institutional forms and professional cultures. Hence building trustworthy relationships is paramount for female entrepreneurs. Ghana’s cultural and social values of entrepreneurship are described in relation to three aspects as presented in Figure 6.6.

**Figure 6.6: Entrepreneurial social values in Ghana**

<table>
<thead>
<tr>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Entrepreneurship a good career choice</td>
<td>82%</td>
</tr>
<tr>
<td>High social status for successful entrepreneurs</td>
<td>94%</td>
</tr>
<tr>
<td>Media reports contribute positively to entrepreneurship</td>
<td>82%</td>
</tr>
</tbody>
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Adapted from: Amoros & Bosma (2013:78)
Figure 6.6 shows that, entrepreneurs in Ghana enjoy a very high status of recognition in society at 94 per cent. As Amoako and Lyon (2013:126) reported the social ties are found to cut across cultural and religious boundaries in Ghana among the business community. In addition, media has also played a very important role in promoting the entrepreneurial culture to Ghanaians at 82 per cent. They also value entrepreneurship as a good career choice at 82 per cent.

To summarise, political commitment in Ghana enabled the review of several policies and implementation of support programmes such as the NBSSI which was established as the main governing body to coordinate small business activities, Technology Industrial Service, Private Sector Development Ministry, the Investment code, the President Special Initiative, the Rural Enterprise Development programme, trade associations and entrepreneurship training programmes. Some of these policies were orientated towards the growth of the small business sector and females in particular. Government used MySQL software to manage the registration process.

However Ghana’s holistic approach of the Financial Adjustment Programme enabled government and financial institutions to develop customised access to finance strategies that enhanced the growth of the small business sector. Once a small business has access to finance they are able to increase their market reach. Registered businesses listed in multiple directories, trade association support activities, government provided domestic and export market incentive packages, innovativeness of SMEs, Ghana’s strategic location, involvement of small businesses in trade fairs and conferences were good ground to increase access to both the domestic and foreign markets. This has been further improved by government institutional services that enable entrepreneurs to obtain global partners for sustainable growth. Ghana’s reliable transportation system enables mobility of goods and services as well as their improved telecommunication sector. Government further created the Ministry of Women and Children Affairs to coordinate all
female-related issues and ensure that female entrepreneurs have a platform to raise their voices to be able to grow their businesses.

In the next section the strategies for small business growth specific to Nigeria, will be discussed.

6.5.3.2 Nigeria
Nigeria is a lower middle-income factor-driven economy of 169.3 million people, with a GDP of 286.5 (US $ billions) located in the sub-Saharan African Region (Amoros & Bosma, 2013:10; Indrawati, 2014:214; Schwab, 2014:294). The Nigerian economy depends on the oil and gas sectors (Kim, 2014b:119). The total entrepreneurial activity in Nigeria is 41 per cent females (Amoros & Bosma, 2013:82). Despite the small business growth challenges in the country, several strategies have been implemented to reduce these challenges.

a) SMME policies and programmes
The Nigerian government acknowledged the importance of mainstreaming females in the national development process and has initiated steps towards realising this objective, though the level of implementation is slow (Nwoye, 2007:171). In 2004, the Nigerian government set up the Small Enterprises Development Agency of Nigeria (SMEDAN) as a supervisory agency for the SMME sector (Raimi, Patel, Yekini & Fadipe, 2014:302). The agency facilitates and coordinates all extant public policies on SMEs in Nigeria. The agency carried out a number of activities directed at entrepreneurship and small business growth in the country. These include creating a “One-Stop Shop” for SMEs, conducting specialised entrepreneurial capacity-building training, development and dissemination of business information; provision of business development services, advancing entrepreneurship education and training, guidance on the essentials of access to market and finance, provision of advice on business cooperation and ensuring that the business operating environment for small business is conducive.
Nigeria also introduced specialised courts which lead to greater specialisation of judges - resulting in faster resolution times, cheaper contract enforcement, shorter court backlogs and increased efficiency (Indrawati, 2014:112). National Directorates of Employment responsible for vocational skills development and small business programmes were designed to combat unemployment (Abimbola, Adekeye, Ajayi & Idowu, 2011:269).

b) Access to finance
Nigeria has a solid financial market with affordable financial services, sound banks, a well regulated security market, availability of local equity financing, and a very high degree of protecting borrowers’ and lenders' legal rights (Schwab, 2014:295). To ensure financial inclusion for all stakeholders the Central Bank uses various mechanisms for coordination, including the:

- Financial System Strategy 2020, an initiative designed to promote collaboration among all stakeholders in the financial system;
- National Microfinance Policy Consultative Committee which coordinates issues related to microfinance;
- Microfinance Advisory Board comprising mainly of donors to provide guidance and oversee microfinance programmes and intervene when necessary, and
- Financial Inclusion Secretariat which relies on various regulators comprising of members from apex associations such as insurance, pension, communication, education, national planning etc. to collect and provide the data needed to monitor progress towards financial inclusion goals and that take responsibility for the daily reporting and coordination of the implementation thereof.

The federal government of Nigeria recognised the need to encourage small businesses through the provision of finance and made financial reforms (Akande, 2012:170). The Central Bank of Nigeria directed all operating community banks to recapitalise and upgrade to micro finance banks (Raimi et al., 2014:302). With these changes economic
growth was predicted, as banks provided access to financial services to a vulnerable segment of society, low income small business entrepreneurs, especially females.

Several authors (Halkias et al., 2011:223; Kim, 2014b:121; Ogechukwu, Oboreh, Umukoro & Uche, 2013:6; Otunaiya, Ambali & Idowu, 2013:14; Raimi et al., 2014:304) have highlighted the different access to finance sources that can be utilised by the business community in Nigeria:

- In 1996 Community Banks were established as self-sustaining financial institutions to provide credit, deposit banking and other financial incentives to its members and the SMEs to increase productive capacities in industry and in agriculture;
- The People’s Bank of Nigeria was established by government to promote rural development and empowerment which provides financial products to small borrowers and businesses without collateral;
- The Family Economic Advancement Programme, a micro credit scheme was established by government to provide investment opportunities that lead to economic growth, stimulate relevant entrepreneurial activities and created value for Nigerians to earn higher incomes and also raised their standard of living;
- Later, the Nigerian Agricultural Cooperative and Rural Development Bank established in 2002, as a result of a merger of the Nigerian Agricultural and Cooperative Bank, People’s Bank of Nigeria and the Family Economic Advancement Programme, improve investment opportunities.
- The Central Bank of Nigeria gave Ecobank Nigeria the approval to facilitate rapid access to funds by entrepreneurs involved in regional export and import business via their Ecobank Rapid Transfer Product, an innovative money transfer service available within Nigeria and African countries where Ecobank has a presence;
Nigeria’s Access Bank PLC received a loan from the International Financial Corporation under the Gender Entrepreneurship Markets programme which provides access to finance and business management training to female entrepreneurs and boosts the bank’s ability to penetrate females’ markets;

- Women Entrepreneurs Fund set up by Women Entrepreneurs Forum supports and strengthens female entrepreneurs in rural communities and provides grants to female cooperatives and businesses;

- In the Global SME Finance Initiative, the International Finance Corporation set up a $22 million risk sharing facility with Access Bank in Nigeria in 2012 to finance SMEs, a quarter of which were female-owned;

- Self-help groups (SHGs) and community-based organisations in Nigeria’s rural communities are at the centre-stage of business development finance especially among females and the core-poor with door-to-door deposit collectors, rotating savings and credit associations and trade groups as the main micro-finance arrangements, and

- The Small and Medium Industry Equity Investment Scheme set up in 2001, stimulated the private equity industry in Nigeria and requires banks to set aside ten per cent of their pretax profits for equity investments in SMEs.

c) Market openness

According to Babatunde, Oyeranti, Bankole & Ogunkola (2012:891), the degree of market openness in Nigeria propels trade activities growth. Nigeria is a signatory to some international trade institutions and agreements such as the World Bank (WB), the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT) that increase the volume of trade for the country (Esu & Awara, 2010:18). Several market-oriented initiatives have been implemented to promote small business growth in Nigeria. For instance, the trade liberalisation strategy paved the way for a competitive business environment for SMEs and multinational businesses in Nigeria by encouraging SMEs to export (Erastus et al., 2014:30). In addition, the Public Enterprises
Act of 1999 empowered the Bureau of Public Enterprises (BPE) to encourage investors, and promoted foreign investment in the privatisation programme (Adeyemo & Salami, 2008:410). The privatisation programme detached businesses from government departments and ministries and made them cost accountability centers like the private sector (Ode, Wombo, Ede & Miles, 2014:485). Further still, the Nigerian government developed a Local Resource Strategy emphasising industrialisation through the use of local sources of raw materials, which led to maximum utilisation of local resources by small businesses (Egena et al., 2014:485).

The Nigerian Enterprises Promotion Decree 1977 as amended by Acts 1987 regulates and controls the ownership structure of Nigerian business (Ogechukwu et al., 2013:7) which propelled business growth in the following ways:

- encourages indigenous business participation through appropriate delineation of those areas that are exclusively reserved for Nigerians alone;
- Nigerian businesses enjoying adequate control, especially from foreign incursions in expertise and skills;
- enables business ownership through joint participation of foreign and indigenous investors;
- encourages the use of a cooperative approach of local acquisition of previously non-existent skills among business, and
- promotes the development and growth of businesses in Nigeria, as most investors take advantage of the decree to relaunch their investments or business packages.

Given the large domestic market in Africa and plethora of raw materials in Nigeria, (Nwankwo, Ewuim, & Asoya, 2012:142; Schwab, 2014:41), locally manufactured products are competitive as they are able to manufacture a range of products for both the domestic and international markets (Erastus et al., 2014:30). The increasing demand for consumer products created a large market for SMEs in Nigeria (Osotimehin, Jegede, Akinlabi, & Olajide, 2012:183). Also, the dominance of fuel exports has made Nigeria
highly dependent on developments in the world oil market (Nduka, 2013:69) hence fostering growth opportunities for small businesses.

Several multinational businesses operate in Nigeria, especially in the food industry, banking, commerce, exploitation of natural resources and non-profit-organisations that support the growth of small business through the provision of products and services (Nwoye, 2007:170). The African Sustainable Small Entreprise Export Development, a non-profit organisation assists small businesses, cooperatives, producer organisations and craft associations to develop products with export potential that are internationally competitive, exportable and meet international requirements (Halkias et al., 2011:225). The Country Women Association of Nigeria was established to support female members in cooperatives to learn business and marketing skills to maximise their production, distribution and selling of agricultural products such as palm oil to both local and national markets to ensure self-reliance and sustainable development (Halkias et al., 2011:224).

d) Infrastructure development
Infrastructural facilities developed by government assist the growth of small businesses, through enabling the acquisition of required inputs (Ogechukwu et al., 2013:7). For example road, communications and electricity supply facilities are essential infrastructures that assist and promote investment and growth of SMEs. Nigeria has the largest road network in West Africa and the second largest, south of the Sahara with an estimated 200,000km of road network connecting villages to cities, the distant with the near and the inter-land with the urban market (Onolememen, 2013:3). As a proactive approach, the Federal Government embarked on road sector reforms to improve service delivery, enhance management capacity and created a conducive institutional framework through private-public partnerships in financing and management of the road sector (Igwe, Oyelola, Ajiboshin & Raheem, 2013:169; Onolememen, 2013:7). Provision of access roads promoted small businesses activities (Ogechukwu et al., 2013:10).
Increased improvement in communication facilities like telephone, postal services, and other telecommunication facilities in Nigeria like internet and mobile phones enhanced small business growth (Ogechukwu, 2013:10). According to Lawal, Ahmed-Rufai, Chatwin, and Liu, (2013:185) government implemented the NIGCOMSAT-1R Communication Satellite as well as private sector investments such as Internet Service Providers and resellers to facilitate trade. With ICTs in place, all markets have the potential to be international, depending on their requirements. The introduction of a global system for mobile communication in Nigeria in 2000, increased business transactions using the mobile phone technology (Akpan, 2015:58).

The Nigerian government initiated institutional power reforms aimed at improving electric power supply to the state (Henry, Asor, & Ndiyo, 2016:20; Ogechukwu et al., 2013:10). These included:

- Developing a partnership with the private sector to participate in the privatisation of Port- Harcourt Power Distribution Company, establishing an SPV-Paradise Power Limited to developing a captive 26MW power plant and associated distribution network to supply electricity to the new development cluster in Calabar;
- providing support to the private sector in the development of a 4MW solar plant in the Ranch Communities of Obudu and the establishment of a 10-15MW solar farm in the central and northern senatorial districts of the state;
- investing in demand side energy management wherein the state government through the State Electrification Agency embarked on the replacement of incandescent light bulbs with LED lighting systems, and
- the government has embarked on power generation and distribution expansion programmes aimed at increasing power generating capacity and availability of power to consumers such as small businesses in the state to complement the Federal Government’s effort.
The provision of infrastructure facilities, enhances small business growth through transfer of goods and services and market expansion (Oduyoye, Adebola, & Binuyo, 2013:15).

e) **Culture and social values**

Cultural and social values play a large role in influencing an entrepreneur (Lincoln, 2012:51). Female entrepreneurship is usually demonstrated in ethnic practices, for example, the Igbos of South East Nigeria are known to be the foremost entrepreneurial group, when compared to other major ethnic groups in Nigeria. The entrepreneurial activities as practiced in the Igbo ethnic group of Nigeria give priority to the female child as she is seen to provide a future supportive role to her husband or family business (Yusuf, 2013:118). The Nigerian extended family system serves as the basis of interaction among members where perception, attitudes and behaviours of people such as Hausa, Igbo and Yoruba influence their social interactions (Abimbola et al., 2011:273). According to Lincoln (2012:56), Nigeria is a collectivist society were family orientation is practiced. In communities the successes of great grand-parents are important during trading concerns (Ogechukwu et al., 2013:1). For example, 70.5 per cent of the female entrepreneurs like to supervise their employees because the link between vision and business growth is a result of the flat hierarchical structure and transformational leadership qualities (Lincoln, 2012:55).

Several cultural and social value strategies to grow small businesses, and in particular female-owned businesses, were implemented in Nigeria to include (Akhuemonkhan et al., 2014:353; Federal Ministry of Finance, 2012:2; Halkias et al., 2011:223; Kim, 2014b:134; Tersoo, 2013:7):

- The Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture Business in Women Group and Small and Medium Enterprise Development Authority of Nigeria formed an initiative which enhanced the culture of entrepreneurship amongst females by promoting capacity building and skills acquisition for female entrepreneurs;
the Federal Government of Nigeria embarked on the National Economic Empowerment and Development Strategy targeted towards promoting a vibrant entrepreneurial class to articulate the economic development process;

- The Youth Enterprise with Innovation (YouWiN!) programme in Nigeria launched a business plan competition for young entrepreneurs to encourage innovation and job creation through the growth of existing businesses. This programme resulted in 1200 winners by 2012 and provided winners with training and cash grants, and

- The Better Life Programme was launched in Nigeria to stimulate and motivate rural Nigerian females towards achieving better living standards through inculcating a spirit of self-development in business among other areas.

Nigerians derive joy in working for themselves and seeing their businesses grow and mature to conglomerates and also employing other Nigerians (Ogechukwu et al., 2013:10). These authors add that this has upgraded the social status of Nigerians, showing that very successful entrepreneurs own small business as recorded by the print and electronic media houses as depicted in Figure 6.7.

**Figure 6.7: Entrepreneurial social values in Nigeria**

<table>
<thead>
<tr>
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<th>Percentage</th>
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<tbody>
<tr>
<td>Entrepreneurship a good career choice</td>
<td>81%</td>
</tr>
<tr>
<td>High social status for successful entrepreneurs</td>
<td>62%</td>
</tr>
<tr>
<td>Media reports contribute positively to entrepreneurship</td>
<td>77%</td>
</tr>
</tbody>
</table>

Adapted from: Amoros & Bosma (2013:26)
Figure 6.7 shows that Nigerians attach very high cultural and social values to entrepreneurship. Most importantly, Nigerians highly perceive entrepreneurship as a good career choice at 81 per cent. It is also perceived that media reports highly contributed to the entrepreneurship culture at 77 per cent. Successful entrepreneurs enjoy a high status in society at 62 per cent. The secret behind successful Nigerians is their self-reliant strategy where people have a positive attitude towards owning a business (Ogechukwu et al., 2013:1).

In summary, government set up the Small Enterprises Development Agency of Nigeria to supervise SMEs, which has encouraged small business growth. In addition to policies and programmes, small businesses also need to access finances. The Nigerian government made financial reforms and restructured the financial sector by instructing community banks to upgrade their micro financial services, widened their banks’ portfolios and also enabled business owners to access financial products especially in the rural areas. These strategies improved access to finance for small businesses. With access to finance small business can use the funds to expand into international markets and to increase revenues. Also, the improved infrastructure facilities increased the mobility of entrepreneurs and goods. Government also designed strategic interventions that provided assistance and economically empowered female entrepreneurs.

In the next section the strategies for small business growth specific to Vietnam, will be discussed.

6.5.3.3 Vietnam
Vietnam is classified as a lower middle-income factor-driven economy of 89.7 million people, with a GDP of 170.6 (US $ billions) found in Asia and the Oceania Region (Indrawati, 2014:234; Phuong & Nguyen, 2012:432; Schwab, 2014:384; Singer et al., 2014:11). Vietnam’s economy is driven primarily by tourism and exports and is regarded as an upcoming economic superpower (Lin, Tan & Geng, 2013:102). The total
entrepreneurial activity in Vietnam is 69.43 per cent for females (Singer et al., 2014:85). Vietnam embarked on a number of strategies to overcome the challenges to small business growth.

a) SMME policies and programmes

Vietnam's legal environment has significantly improved in recent years in compliance with international practices. In 2014, the National Assembly of Vietnam adopted the new Law on Enterprises which improved business rights and business registration procedures reduced to three days from five days and obtaining a trading license will take ten days (Duc, 2015:2). Vietnam has a multi-level system of SME support institutions at national and provincial levels, with assigned mandates and functions (Tran, Le & Nguyen, 2008:353). These include the:

- SME Promotion Council mandated to advise the Prime Minister on public-private representation at national level. For instance, in 2007, the Prime Minister approved the SME development plan 2006-2010, which included activities related to training and consulting for SMEs, assistance to increase technical competence, labour productivity, quality of production and services, and SME competitiveness (Vo, Tran, Bui, & Trinh, 2011:179);

- Agency for SME Development (ASMED) responsible for SME policy review, formulation, monitoring, provision of information on business regulations for SMEs, business registration, restructuring state businesses, domestic investment encouragement, government agency for coordination and providing regulatory information at national level, and

- The Provincial Departments of Planning and Investment are responsible for SME policy issues such as promoting support programmes at local levels and monitoring of SMEs, and their needs at localities and ensure local level policy coordination.

Together with the implementation of the Enterprise Law and administrative reform, Vietnam has continuously reduced impediments in terms of the legal framework,
administrative procedures and policy to facilitate business growth in all sectors in the economy, including SMEs and households (Vo et al., 2011:152).

According to Rand and Torm (2012:984), the formalisation of household businesses in Vietnam requires registering a business at the district-level business registration office, and registering for a tax to obtain a registration certificate and tax code from the municipal taxation department. The economic reform and business liberalisation process in Vietnam has been a delicate balancing act, between promoting the private sector on the one hand, and maintaining the leading role of the state business sector on the other (Nguyen, Le & Bryant, 2013:70). The Vietnam government provides training programmes, funding soft loans linked to training and access to information for small business entrepreneurs (Singer et al., 2014:71).

Payments for environmental services (PES) projects such the implementation of biodiversity entrepreneurial conservation activities, have rapidly expanded within the country, and Vietnam is the first country in Southeast Asia to pass a national law promoting PES (McElwee, 2012:412). Markedly, the implementation of the PES policy resulted in reduced costs of water and power production for urban areas, and offered extra income for many of the poor families living in forest areas.

b) Access to finance

Since 2001, the gradual reduction of policy lending practices to state-owned businesses have not only enabled state-owned commercial banks to deal with non-performing loans, but also strengthened supervision and risk management as well as re-channeled lending to the private sector. The establishment of the official securities market created ground for market development and access to credit over the counter for SMEs which was an effective way to mobilise long-term capital for their growth (Tran et al., 2008:346). Financial market reforms have been meaningful for SME development in terms of the
creation of easier access to banking and capital markets and a fairer business environment.

Vietnam provides business credit to the private sector amounting to 125 per cent of their GDP which enables small businesses to access finance for growth (Kim, 2014b:32). The Vietnamese government recognised the role of micro-finance as a potential solution, and became tolerant of developmental organisations such non-governmental organisations for micro loans (Poon, Thai, & Naybor, 2012:310). Small businesses legally registered can access formal finance in Vietnam (Rand & Torm, 2012:985). Similarly, Vietnam reformed the movable collateral framework to enable businesses to leverage their assets to obtain credit (Kim, 2014b:123). This reformed system has three features:

- Laws do not impose limits on what can serve as collateral;
- Creditors can seize and sell collateral privately or through summary proceedings, thereby dramatically reducing the time it takes to enforce a collateral agreement, and
- Secured creditors have first priority to collateral and can verify their priority through an electronic archive of security filings.

Vietnam has been more embracing of financial openness, with increases in domestic financial restructuring as well as capital account liberalisation by easing restrictions on capital flows across the country’s borders. This has led to considerable financial deepening in financial access options and an increase in market-oriented allocation of business credit and availability of high quality and accurate information for SMEs (O’Toole & Newman, 2015:29). Interestingly, Vietnam’s most successful businesses are less likely to choose a formal financial system, yet likely to make their choice of retained earnings and informal sources of capital for new investment (Le, 2012:93)

c) Market openness

In 1986, the Vietnamese government declared an “Open door” policy (Doi moi) and implemented an international market-oriented economy (Goodwin, O’Connor & Quinn,
Vietnam’s socialist-oriented market strategy enabled the country to expand its trade relations with foreign countries presenting opportunities (Paswan & Tran, 2012:18; Vietnam Investment Guide, 2009:18). It is important to note that the rapid development of Vietnam’s businesses was brought about by market-oriented and business environment reforms, and pro-SMEs policies and programmes (Tran et al., 2008:342).

The trade reforms and international commitments through the ASEAN Free Trade Agreement (AFTA), the Bilateral Trade Agreement with the US (VN-US BTA) and ASEAN-China Free Trade Agreement (AC-FTA) and World Trade Organisation (WTO) facilitated export markets for SMMEs to expand into the international market (Tran et al., 2008:345). Membership to international bodies improved the business climate in areas of intellectual property protection, fair competition, commercial dispute resolution, judicial transparency, banking reform, and market access for foreign investment, resulting in enormous opportunities for economic growth (Tran et al., 2008:345). Membership to international bodies improved the business climate in areas of economic integration, and freer flow of goods, services, investment, capital and labour resulting in enormous opportunities for economic growth (Williams, 2013:10).

The Vietnamese Government designed trade promotion programmes that significantly contributed to SME growth, they provided business information, supported trade and export promotion activities (Hoang, 2016:232; Tran et al., 2008:353; 265). These trade promotion programmes include:

- Creating conditions for businesses to access export markets;
- Improving the competitiveness of export products;
- Raising export-marketing knowledge and skills;
- Diversifying exports, reform the commodity structure and expand export markets, and
- Growing Vietnamese exports.
In 1991, the Vietnamese Government introduced a policy to develop special administrative zones, including industrial-, export processing-, high-tech- and economic zones to diversify investment locations, accelerate export, and create more jobs (Vietnam Investment Guide, 2009:7). The system has been successful and attracted many foreign investors to the country. The movement toward a market economy and especially entry to the WTO has caused Vietnamese businesses to change their traditional ways of doing business. Instead of focusing on production and relying primarily on the government planning system, Vietnamese businesses are now required to not only find their own markets for their brands, but also to produce higher quality and more competitive brands, and effectively market them to successfully compete with international brands in their home markets (Nguyen & Nguyen, 2011:252).

The Action Plan of the General Department of Customs for 2008-2015 was developed in Vietnam with emphasis on reforming customs procedures, and facilitating exports, investment and tourism. Ongoing and proposed reforms helped reduce the costs of trade facilitation, thereby providing new opportunities for SMEs to directly engage in foreign trade (Vo et al., 2011:182). When trade barriers were lowered, exports and imports soared, and Vietnam is now among the world’s most open economies (Moore & Schmitz, 2008:10).

d) Infrastructure development

Infrastructure is a crucial element of Vietnam’s national development and competitiveness (Vietnam Investment Guide, 2009:4). Government emphasised the importance of infrastructure and supportive policies for the development of an entrepreneurial environment and ultimately entrepreneurial businesses (Paswan & Tran, 2012:25). They recognised that quality and access to infrastructure are determinants of business growth and provided for it (Poon et al., 2012:309; Rand & Torm, 2012:989). This was done by creating a dense road system, the longest railway network and gauge in the region, an express train, very good inland waterway transport, a strategic position close to
international shipping routes, domestic and international airports and a modernised telecommunications network with countrywide wireless broadband information infrastructure, mobile cellular subscriptions, internet users and fixed telephones (Vietnam Investment Guide, 2009:16). Vietnam still regards increasing female’s mobility in rural and distressed regions an urgent task because it can significantly increase entrepreneurship through market access if incipient entrepreneurs are equipped with basic transportation such as the scooter (Poon et al., 2012:314).

e) Cultural and social values

In 1998, the Government of Vietnam introduced the National Plan of Action for the Advancement of Women which integrated females into the national development agenda without discrimination with female entrepreneurship development (Le & Raven, 2015:57). Further still in 2000, the land law was changed to allow joint titles, females have seen a steady expansion in their land entitlements (Kabeer, 2012:44). In general, Vietnamese culture embeds strong family and community values in every business activity and the whole macro business environment (Tran & Santarelli, 2013:834).

In Vietnam, the spaces of associational life are occupied by two principal economic agents: the family and para-institutions (Poon et al., 2012:309). The familial structure plays a central role in the Vietnamese economic life where family members and immediate neighbours tend to discuss farming matters with their relatives and family members. Both family and institutional networks shape norms, routines and social practices. Female entrepreneurs in Vietnam are strongly influenced in their activities by Confucianism principles based on two fundamental principles namely the necessity of correct behaviour and the importance of loyalty and obedience (De Vita, Mari & Poggesi, 2014:454). Figure 6.8 shows the entrepreneurial social values in Vietnam.
Figure 6.8: Entrepreneurial social values in Vietnam

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<th>Situation</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship a good career choice</td>
<td>67%</td>
</tr>
<tr>
<td>High social status for successful entrepreneurs</td>
<td>76%</td>
</tr>
<tr>
<td>Media reports contribute positively to entrepreneurship</td>
<td>87%</td>
</tr>
</tbody>
</table>

Adapted from: Singer et al. (2014:29)

Figure 6.8 shows that in Vietnam the media is highly influential at 87 per cent to influence cultural and social entrepreneurship. There is a perception that successful entrepreneurs are treasured in society (76%) and many (67%) regarded entrepreneurship as a good career choice. Ethical and socially responsible practices enhance cooperation and tolerance among the diverse racial groups living in the country (De Vita et al., 2014:454). Social capital at the micro family level remains a relevant and important source of information and resources in developing countries (Poon et al., 2010:314).

To summarise, the legal environment of Vietnam supports the growth of small businesses both locally and internationally. It is also observed that government has provided for female entrepreneurship in the national plans. With a good business environment and support from government female entrepreneurship is likely to grow their businesses. The government also embraced financial openness which increased financial access options for SMEs. Further still government implemented an international market-oriented strategy which enabled small business to expand their activities. In addition, government emphasised supportive infrastructure policies, with quality infrastructure access. Female entrepreneurship development has also been integrated in national plans and media reports are a critical factor in promoting entrepreneurship in Vietnam.
6.6 SUMMARY

The main purpose of this chapter was to investigate the global best practice strategies for stimulating small business growth in developed and developing countries. This was accomplished by distinguishing between developed and developing countries. Then, favourable SME conditions for business growth were identified and an overview of global entrepreneurial activities within developed and developing countries were highlighted.

As the participants of this study could not provide many strategies to overcome the small business growth challenges, this chapter was necessary to guide the recommendations made in the last chapter so that efficient strategies that has proven already successful in these countries could be suggested. Best practice strategies to overcome the small business growth barriers of the selected leading developed countries with the innovation-driven economies of Trinidad and Tobaga and Canada and developing countries with the efficiency-driven economies of Brazil and China and the factor-driven economies of Ghana, Nigeria and Vietnam were discussed in greater detail. The chapter provided a detailed discussion on the five sets of best practice strategies namely: the existence of SME policies and support programmes; access to finance; market openness, infrastructure development and cultural and social values.

In the following chapter, the biographical profiles of the participants and their workplaces are presented as case studies.
CHAPTER SEVEN
BIOGRAPHICAL PROFILE OF PARTICIPANTS

7.1 INTRODUCTION
In Chapter Six a global perspective of best practices for small business growth was provided with specific emphasis on the strategic actions undertaken in the selected developed and developing countries. Five best practice strategies were investigated in literature regarding a conducive business environment for business growth through SMME policies and programmes, access to finance, market openness, infrastructure and cultural and social values.

In this chapter, the biographical profile of the three selected Ugandan small business entrepreneurs and their businesses, are provided. Their small business growth aspirations were indicated. In addition, a brief background on the biographical profiles of the small business support specialist participants and institutions where they are employed, is provided.

7.2 RESULTS OF THE BIOGRAPHICAL PROFILE OF FEMALE ENTREPRENEURS
Three female small businesses were interviewed of which two are in the service sector (hairdressing salon and restaurant) and one (supermarket) in the retail sector located in Kampala. As Kampala is the capital city of Uganda and half of all businesses in Uganda are concentrated in the Central Region (Male-Mukasa, 2011a:27; 2012:38; National Small Business Survey of Uganda, 2015:8), the three participants were specifically chosen from Kampala. The biographical profiles of the female small business entrepreneurs and their small businesses are first presented.

7.2.1 Case studies of the establishment of small businesses
The history of the establishment of each of the three selected small businesses is presented in the following sections.
7.2.1.1 Business A: Hairdressing salon

Business A is situated in the Central Region in Kampala District in Kampala City. It was established in 2005 and registered in 2014 at the Kampala Capital City Authority. The hairdressing salon provides services such as plaiting, retouching, facials, pedicures and manicures, and bridal care. It has been managed since its inception by a 36-year-old single female (hereafter referred to as ‘Ms A’). Ms A holds a certificate in cosmetology. Ms A takes care of four dependents including one sister, one niece and her two children. She is actively involved in the business and works 11 hours daily six days a week.

Although all her siblings own businesses, she has never worked in their businesses. Her three sisters own a tile shop, boutique and electronics shop, respectively while the brother owns a hardware shop. She wanted to be self-employed and was prompted to start her own business because she saw her siblings earn money and became notable.

Business A is a sole proprietorship. At inception the business started with three employees (excluding the owner) and as at 2015 employs six permanent employees. Five of the employees are female and one is male. They serve customers by speaking both English and Luganda. All employees and the owner receive customers and explain the services rendered. The five female employees’ roles include hairdressing services such as washing, retouching, styling and plaiting of hair. The male employee provides pedicure and manicure services. All employees assist in cleaning the shop. Although the owner, Ms A, also provides hairdressing services, she mostly concentrates on operational issues such as opening the shop in the morning, handling incoming telephone calls, recruiting employees when needed, buying supplies and managing cash.

7.2.1.2 Business B: Restaurant

Business B is situated in the Central Region in Kampala District in Kampala City. It was established in 2000 and registered in 2014 at the Kampala Capital City Authority. The restaurant provides food, drinks and catering services. It has been managed since its inception by a 50-year-old single female (hereafter referred to as ‘Ms B’). Ms B’s highest
education attained is an ordinary-level certificate. She takes care of six dependents including three people from her church, one sister and her two children. She is actively involved in the business and works 12 hours and 30 minutes daily six days a week.

While all her siblings own businesses, she has never worked in their businesses. Her sister owns a mobile money shop and the brother is a farmer. Ms B wanted to be self-employed, have her own money and pay school fees for her children, hence she was prompted to start her own business.

This business is a sole proprietorship. At inception the business did not have employees and as at 2015 employs ten permanent employees. Eight of the employees are female and two are male. They serve customers speaking both English and Luganda. The roles of the employees are job specific such as:

- One refreshment female bartender who makes fresh juice and serves soft drinks, is also responsible for cash received;
- Four female kitchen staff that act as chefs who cook and present the food;
- Two female hostesses/waitresses who seat customers, take orders, serve the food inside the restaurant, organise the payment of bills and at times may assist the two male employees with washing dishes and in the cleaning of the restaurant;
- One female cashier who receives cash and writes receipts, and
- Two male employees who also act as waiters in the restaurant and for off-site deliveries and assist the owner to carry stock obtained from the market inside the restaurant.

Ms B oversees operational issues such as stock replenishment, daily menu planning and cash management. She also oversees the food preparation in the kitchen and takes the role of a hostess in welcoming customers and obtaining feedback from them on the food served.
7.2.1.3 Business C: Supermarket

Business C is situated in the Central Region in Kampala District in Kampala City in Mbuya I Zone 2. It was established in 2000 and registered in 2011 at Kampala Capital City Authority. The supermarket sells several household items, groceries, and soft drinks. It has been managed since its inception by a 37-year-old married female (hereafter referred to as ‘Ms C’). Ms C studied up to an ordinary level. She takes care of six dependents, which include her four children of which the youngest is seven years and the oldest is sixteen years, as well as her parents-in-law. She is actively involved in the business and works 13 hours daily (7:00am to 10:00pm) for six days except on Saturdays.

None of her family owns a business. When she got married her husband was from the Banyankole tribe of Western Uganda while she was from the Muganda tribe of Central Uganda. Due to these tribal differences, the in-laws did not like her and always advised the husband to give her limited financial support to meet household needs. In time she obtained permission from her husband to start a small grocery shop in a slum area, close to her home, to supplement their family income. As she became more successful, she expanded her business interests and started a second shop run by one employee while she managed the first shop. After some time she decided to rather have only one larger business, as having two shops to manage, was stressful. While looking for a suitable premise to start a supermarket, she heard about a supermarket in 2014 that was for sale. She subsequently bought this supermarket and closed down the two shops.

This business operates as a sole proprietorship. Ms C has a personal bank account, but does not have a business bank account. The supermarket employs as at 2015 six permanent female employees. They serve customers speaking both English and Luganda. The roles of the permanent female employees are as follows:
- One female acts as the assistant cashier to the owner and also serve customers;
- Three female shop assistants serve customers, and
Two female stock controllers receive stock orders, price the stock supplies and take stock. These stock controllers also assist the business owner when needed with other duties, and attend to customers’ requests.

Ms C, the owner mostly concentrates on operational issues such as obtaining stock, recruiting and supervising employees, managing cash, obtaining bank loan funding, as well as serving customers.

In Table 7.1, a summary of the small business profiles included in this study will be provided.

Table 7.1: Summary of the small business profiles

<table>
<thead>
<tr>
<th>Case</th>
<th>Industry</th>
<th>Number of years</th>
<th>Form of ownership</th>
<th>Number of employees *</th>
<th>Business language</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Established</td>
<td>Registered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A: Hairdressing salon</td>
<td>Service</td>
<td>10</td>
<td>1</td>
<td>Sole proprietor</td>
<td>3 6</td>
</tr>
<tr>
<td>B: Restaurant</td>
<td></td>
<td>15</td>
<td>1</td>
<td>Sole proprietor</td>
<td>0 10</td>
</tr>
<tr>
<td>C: Supermarket</td>
<td>Retail</td>
<td>15</td>
<td>1</td>
<td>Sole proprietor</td>
<td>0 6</td>
</tr>
</tbody>
</table>

* Excluding owner

Source: Own construction

As previously mentioned female entrepreneurial businesses contribute 48 per cent to the service sector, 34 per cent to the agricultural sector and only 18 per cent to the industry sector (Mungyereza, 2014b:22). For this reason two businesses from the service sector and one from the retail sector were chosen to participate in the study. The agricultural small businesses have other challenges in addition to everyday business challenges. From February to December 2014, the directorate of business registration entered into joint operations with the Uganda Revenue Authority and Kampala City Council Authority
to enforce business formalisation in the Central Region of Kampala. The enforcement facilitated a number of small businesses existing for many years to formalise their businesses and register. As yet not many small businesses are registered and no complete database of registered businesses with up-to-date contact details was available. This made data collection rather difficult, as small businesses had to meet the sample requirements of being registered and with a current trading license, in existence for at least three years, that have experienced an increase in staff complement and currently (2015) employ six to ten employees.

In the following section a summary of the biographical profiles of the small business entrepreneurs are presented.

7.2.2 Summary of biographical profile of small business entrepreneurs

The biographical profiles of the three small business entrepreneurs that participated in this study are summarised in Table 7.2.

<table>
<thead>
<tr>
<th>Biographic data</th>
<th>Description</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>36 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>37 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>50 years</td>
<td>1</td>
</tr>
<tr>
<td>Education qualification</td>
<td>Ordinary Level</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Certificate in Cosmetology</td>
<td>1</td>
</tr>
<tr>
<td>Marital status</td>
<td>Single</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>1</td>
</tr>
<tr>
<td>Number of dependents</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Age range of youngest to oldest child</td>
<td>6 years and 15 years</td>
<td>1</td>
</tr>
<tr>
<td>dependent</td>
<td>7 years and 16 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>25 years and 29 years</td>
<td>1</td>
</tr>
<tr>
<td>Home language spoken</td>
<td>Luganda</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>English</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Lugwere</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Lunyankole</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Own construction
It can be seen from Table 7.2 that the female participants were between 36 and 50 years of age. Several authors (Ekinsmyth, 2013:531; Katongole, Ahebwa & Kawere, 2013:170; Rehman & Roomi, 2012: 214) confirmed that most female entrepreneurs are in the age group 30 to 40 years. The female participants had minimally attained secondary education varying from ordinary level to certificate level. It must be noted that an entrepreneur’s level of education can influence business growth (Nshaho, 2011:61). Very few (18.4%) females in Uganda have completed secondary education (Mungyereza, 2014a:21).

Two participants were single and only one participant was married. A female in Uganda is likely to be engaged in part-time employment as she has to look after the household duties (Verheul et al., 2006:160). The three participants had four to six dependents. Their child dependents varied in ages from between six years to 29 years old. Dependents determine the size of the family and could include the female entrepreneur’s spouse, children, parents, siblings, in-laws, and the extended family members (Itani et al., 2011:418; Prasad et al., 2011:294). In Uganda, the majority (58%) of children are younger than 17 years (Mungyereza, 2014c:16).

All three participants use the Luganda language at home, while two of the participants can also speak English, one participant can speak Lugwere while another can speak Lunyankole. The Ugandans mostly converse in the two official languages (English and Swahili), Luganda, and some speak various Bantu and Nilotic languages (Pepper, 2010:5). In the next section, the results of the small business support institutions will be elaborated on.

7.3 RESULTS OF THE BIOGRAPHICAL PROFILES OF THE SMALL BUSINESS SUPPORT INSTITUTIONS

From the results of the first round of interviews with the three female small business owners, it became clear that they are aware of their small business growth challenges, but could not provide much information on how to overcome these challenges. These
small business participants indicated that it is government’s responsibility to assist them to grow their businesses, that they find access to finance problematic, would like access to business skills development programmes, wish to expand their business and growth their target market and would like business support from business associations. For these reasons, institutions that could assist female-owned small businesses to overcome small business growth challenges were selected to participate in the study as they assist in providing information on current strategies and on formulating future strategies to overcome these small business growth barriers. Table 7.3 provides a summary of the selected participating small business support institutions interviewed in Kampala Uganda.

Table 7.3: Selected participating Ugandan institutions

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government institutions</td>
<td>2</td>
</tr>
<tr>
<td>Financial institutions</td>
<td>2</td>
</tr>
<tr>
<td>Training institutions</td>
<td>2</td>
</tr>
<tr>
<td>Export promotion institution</td>
<td>1</td>
</tr>
<tr>
<td>Business associations</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

Source: Own construction

In Table 7.3 it can be seen that nine participants were interviewed from government-, financial-, training- and export promotion institutions, as well as from business associations. In the next section the results of the biographical profile of the participants and institutions they are employed in, are discussed in detail.

Table 7.4 provides a summary of the biographical profiles of small business support institutions interviewed in Kampala, Uganda.
Table 7.4: Summary of the selected participating Ugandan institutions’ profiles

<table>
<thead>
<tr>
<th>Institutions</th>
<th>Number of branches</th>
<th>Ownership</th>
<th>Year Established</th>
<th>Existence since 2015</th>
<th>Department Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Government institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>G1</td>
<td>1</td>
<td>Public</td>
<td>1998</td>
<td>17</td>
<td>9 180</td>
</tr>
<tr>
<td>G2</td>
<td>1</td>
<td>Public</td>
<td>1991</td>
<td>24</td>
<td>6 56</td>
</tr>
<tr>
<td><strong>Financial institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F1</td>
<td>62</td>
<td>Private</td>
<td>1983</td>
<td>32</td>
<td>72 2345</td>
</tr>
<tr>
<td>F2</td>
<td>1</td>
<td>Public</td>
<td>1972</td>
<td>43</td>
<td>2 52</td>
</tr>
<tr>
<td><strong>Training institutions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T1</td>
<td>1</td>
<td>Public</td>
<td>2009</td>
<td>6</td>
<td>7 4600</td>
</tr>
<tr>
<td>T2</td>
<td>1</td>
<td>Public</td>
<td>2001</td>
<td>14</td>
<td>10 33</td>
</tr>
<tr>
<td><strong>Export promotion institution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E1</td>
<td>1</td>
<td>Public</td>
<td>1996</td>
<td>19</td>
<td>4 45</td>
</tr>
<tr>
<td><strong>Business associations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BA1</td>
<td>6</td>
<td>NGO</td>
<td>1987</td>
<td>28</td>
<td>4 8</td>
</tr>
<tr>
<td>BA2</td>
<td>27</td>
<td>NGO</td>
<td>1979</td>
<td>36</td>
<td>4 22</td>
</tr>
</tbody>
</table>

Source: Own construction

In Table 7.4, it can be seen that the sample comprised of two government institutions (G1 and G2), two financial institutions (F1 and F2), two training institutions (T1 and T2), one export promotion institution (E1) and two business associations (BA1 and BA2). All the institutions' headquarters are situated in Kampala, the capital city of Uganda, as it is the center of key national administrative institutions, the private sector and is a hub of economic activity (Rwabizambuga, Olinga, Muhumuza & Nsereko, 2016:13). Six institutions (G1, G2, F2, T1, T2 and E1) are publicly owned institutions, one institution (F1) is a privately owned institution and two business associations (BA1 and BA2) are non-governmental organisations. Only two institutions (T1 and T2) have been operating for less than 15 years, while the other seven institutions (G1, G2, F1, F2, E1, BA1, and BA2) have been in existence for more than 15 years.

In eight institutions (G1, G2, F2, T1, T2, E1, BA1 and BA2) the departments that the participants were employed in had ten or less employees, and only one institution (F1) had 72 employees. The smallest institution was BA1 which had a total staff complement of eight employees, while two institutions (F1 and T1) had more than 2000 employees in the entire institution.
7.3.1 Case studies of the small business support institutions

A brief background is provided on the biographical profile of the participants and institutions they are employed in. The results of the biographical profile of the institutions they are employed in are presented first.

7.3.1.1 Government institution G1

Institution G1 is a public institution mandated to empower communities to harness their potential through skills development, labour productivity and cultural growth for sustainable and gender responsive development. It was established in 1988 and is located in Kampala, Uganda. The Department of Gender and Women Affairs in the institution is managed by an Assistant Commissioner, a 51-year old female (hereafter referred to as Ms. G1). Ms. G1 holds a Master’s degree of Arts in Gender and has 20 years working experience of which 12 years are in her current position as at 2015. Figure 7.1 shows the 2015 organogram of this institution, highlighting the key hierarchical relationships. This institution comprises of three main directorates and the Department of Gender and Women affairs falling under the Gender and Community directorate (see Figure 7.1).

As can be seen in Figure 7.1, the Gender and Women Affairs department was in 2015 led by the Assistant Commissioner (Ms. G1) who reports to the Directorate Commissioner of Gender and Community Development. The management responsibilities of Ms. G1, the Assistant Commissioner, include:

- Implementing principles of the law, policies on gender and female empowerment, gender and equity budgeting for sectors and local governments conducted;
- Printing and disseminating National Policy and Action Plans on elimination of gender-based violence, and
- Developing and disseminating guidelines on gender mainstreaming and female’s advancement; and capacity of sectors in local government to mainstream gender built.
In 2015, the Department of Gender and Women Affairs employed 19 staff members and had a staff complement of more than 180 staff in the entire institution.

7.3.1.2 Government institution G2

Institution G2 is a government public agency mandated to promote and facilitate investments in Uganda and was established in 1991 in Kampala, Uganda. The Investment and Promotion Division is managed by the Senior Investment Executive, a 40-year old female (hereafter referred to as Ms. G2). Ms. G2 holds a Master’s degree in Management Studies and has fifteen years working experience of which three years are in her current position as at 2015. Figure 7.2 shows the 2015 organogram of this institution highlighting the key hierarchical relationships. This institution is led by a board committee and managed by an Executive Director. The Institution has eight divisions namely
Investment promotion, ITC, Finance and administration, SMEs, Lands, Internal audit, Public relations and Communications and Legal affairs (see Figure 7.2).

**Figure 7.2: Organogram of institution G2**

![Organogram of institution G2](image)

Source: Uganda Investment Authority (2015:41)

Only a hard copy of the Human Resource Manual was available to source the information contained in Figure 7.2. From Figure 7.2, it can be seen that Ms. G2, the Senior Investment Executive reports to the Deputy Director and is supported by the Investment Executives. The management responsibilities of Ms G2 as the Senior Investment Executive include:

- Promotion of investment opportunities for foreign and local;
- Engage advocacy groups, and
Training, facilitation of investors through investment policies.

In 2015, the Investment and Promotion division had six full-time staff and a staff complement of 56 in the entire institution.

7.3.1.3 Financial institution F1

Institution F1 is a private for-profit institution that provides financial services in Uganda with the main objective to promote and enhance development through loans to rural farmers, processors of agricultural produce, small manufacturing entrepreneurs and small traders in both rural and urban areas, and importers and exporters. It was established in 1983 with the headquarters in Kampala and 62 other branches in Uganda. The Business Development and Growth Department is managed by the Supervisor Women Banking, a 33-year old female (hereafter referred to as Ms. F1). Ms. F1 holds a Master’s degree in Business Administration and has ten years working experience. She has been employed for the last ten months of 2015 in her current position. Figure 7.3 shows the 2015 organogram of this institution, highlighting the hierarchical positions. This institution comprises of five main departments namely Business Development and Growth, Finance, Operations, Credit and Corporate Secretary led by general managers (see Figure 7.3).

It can be seen in Figure 7.3, Ms. F1 is employed as the supervisor of Women Banking in the Department of Business Development and Growth. The management responsibilities of Ms. F1 include:

- managing the sales team;
- supervising the branches’ performance with regard to females;
- seeking partnerships into the female programme;
- implementing the female banking programme;
- coordinating the female programme internally and externally;
- selling finance for the female programme, and
- ensuring females are served and that they benefit.
7.3.1.4 Financial institution F2

In 2015, the Business Development and Growth Department employed 72 staff members and had a staff complement of 2345 staff in the entire institution.

Institution F2, is a wholly owned government development finance institution mandated to finance businesses in key sectors of the economy. It was established in 1972. Its office is located only in Kampala, Uganda. The advisor to the Chief Executive Office is the Bank Economist, a 49-year old male (hereafter referred to as Mr. F2). Mr. F2 holds a Master’s degree in Economics with 24 years working experience and six years in the current position. Figure 7.4 shows the 2015 organogram of this institution, highlighting the distinct
hierarchy and reporting lines that exist. This institution has six departments/divisions comprising of Management Information Systems, Finance, Human Resource and Administration, Development Finance and a Chief Auditor (see Figure 7.4).

**Figure 7.4: Organogram of institution F2**

![Organogram of institution F2]

Source: Sejaaka (2016:18)

As can be seen from Figure 7.4, Mr. F2, the Bank Economist reports directly to the Chief Executive Officer. The management responsibilities of Mr. F2, the Bank Economist, include:

- Guiding the bank on strategic direction;
- Coordinating strategy development implementation and reporting;
- Guiding the investment decisions of the bank where and which projects;
- Linking the bank with key funders and investors; and
- Making the bank understand government policies.
In 2015, the office of the Chief Executive employs two staff, Mr. F2 being one of them and 52 in the entire institution.

7.3.1.5 Training institution T1
Institution T1 is a not-for-profit organisation registered by guarantee, and autonomous as the first university-based technology and business incubator in the East and Central African Region. It was established in 2009 and has an office in Kampala, Uganda. The center is managed by a 54-year old male (hereafter referred to as Mr. T1). Mr. T1 holds a PhD degree in Food Technology and has 30 years working experience of which 12 years are in his current position as at 2015. Figure 7.5 shows the 2015 organogram of this institution, highlighting the key departments as Technology, Programme Development and Business Development and Outreach.

Figure 7.5: Organogram of institution T1

Source: Food Science and Technology Incubation Centre (2008:2)
In Figure 7.5, it can be seen that Mr. T1 reports to the Board of Trustees and is supported by external stakeholders and an expert mentor network. The management responsibilities of Mr. T1 as manager, include:

- coordination of the center activities;
- promotion and marketing;
- public relations;
- recruitment and management of staff;
- financial management and asset management;
- planning, and
- monitoring and evaluation.

In 2015, the center employed seven staff and has a staff complement of more than 4600 in the entire institution.

7.3.1.6 Training institution T2
Institution T2 is a not-for-profit institution registered as limited by guarantee which provides an integrated and comprehensive range of business development services such as entrepreneurship training, business advisory and counseling services, information, business planning, marketing, technology, business linkages and other services to assist both start-ups and existing businesses to resolve their problems and prepare business plans for growth using a hands-on approach. This institution was established in 2001 with one office located in Kampala, Uganda. The Business Advisory Services Department is led by the Director, Business Advisory services, a 46-year old female (hereafter referred to as Ms.T2). Ms T2 holds a Master's degree in Business Administration and has 21 years working experience of which 12 years are in her current position as at 2015. In 2015, the Department of Business Advisory Services employed ten staff and the institution has a full staff complement of 33. Figure 7.6 shows the 2015 organogram with hierarchical positions that exist. This institution comprises of five main departments comprising of Finance and Administration, Business Operations, Business Advisory Services and Training, Product Development, Marketing and ICT and Internal Audit (see Figure 7.6).
From Figure 7.6, it can be seen that Ms T2 reports to the Executive Director and is supported by a team comprised of a business development manager and a business development mentoring officer. The management responsibilities of Ms T2, the Director Business Advisory Services, include:

- coordinating the activities of the department, and
- providing post training advisory services to clients (female, youth and SMME owners).

### 7.3.1.7 Export promotion institution E1

Institution E1, is the public national focal organisation for export promotion and development in Uganda. It was established in 1996 with only one office located in Kampala, Uganda. The Trade Promotion officer employed in the Market Information Department is a 35-year old male (hereafter referred to as Mr. E1). Mr. E1 holds a Master’s degree in International Economics and Trade and has six years working experience, all in his current position. This institution comprises of four main departments
namely, Market and Product Development, Management Information Systems, Trade Promotion and Public Relations and Finance and Administration (see Figure 7.7).

**Figure 7.7: Organogram of institution E1**

Source: Uganda Export Promotions Board (2013)

Figure 7.7 shows that the institution is comprised of four functional departments. Mr. E1 the Trade Promotion officer is employed in the Trade Promotion and Public Relations Department which is involved in a number of assignments. The work responsibilities of Mr. E1, the Trade Promotion Officer, include:

- conducting market research;
- capacity building for SMEs;
- data analysis for export performance;
- product development;
• policy initiation and advocacy;
• counseling, and
• advisory support to exporters.

In 2015, the Market Information Department employed four staff members and had a total staff complement of 45 staff.

7.3.1.8 Business association BA1

Institution BA1, is a not-for-profit organisation whose main objective is to support female entrepreneurs through the provision of business development services and advocating for enabling environment that meets the specific needs of females in Uganda. It was established in 1987 with headquarters located in Kampala and six other branches in Uganda. The Programmes Department is led by the Programme Officer, a 28-year old female (hereafter referred to as Ms. BA1). Ms BA1 holds a Bachelor’s degree in Entrepreneurship and has 4.5 years working experience, all of which, as at 2015, in her current position. Figure 7.8 shows the 2015 organogram with hierarchical positions that exist. This institution comprises of five main departments namely Programmes; Research, Advocacy and Policy; Finance and Administration; Information and Membership; and Investment (see Figure 7.8).

**Figure 7.8: Organogram of institution BA1**

Source: Basaza (2012:12)
Figure 7.8 shows that Ms BA1, the Programmes officer reports directly to the Chief Executive Officer. She works closely with the line officers from the other units. The work responsibilities of Ms BA1, the programme officer, include:

- programme development and implementation;
- programme monitoring and evaluation;
- fundraising and resource mobilisation;
- programme management;
- liaising with internal and external partners of female organisations,
- communication with staff, female entrepreneurs, partners and government, and
- regular reporting on programmes and activities implemented.

In 2015, the Department of Programmes employed four staff, while the total staff complement was eight staff in the entire institution.

7.3.1.9 Business association BA2

Institution BA2 is a not-for-profit association whose main purpose is to enhance the industrial development of small scale industries in Uganda at grass root level. It was established in 1979 with the head office in Kampala and 72 regional branch offices countrywide. The Service Development Officer, employed in the Service Delivery Department is a 33-year old female (hereafter referred to as Ms BA2). Ms BA2 holds a Master’s degree in Management Studies with eight years of working experience of which, as at 2015, four years in the current position. Figure 7.9 shows the 2015 organogram with hierarchical positions that exist. This institution comprises of five main departments of Membership, Service Delivery, Finance and Accounts, Partnership and Consultancy (see Figure 7.9).
Figure 7.9: Organogram of institution BA2


Figure 7.9 shows that the Ms BA2, the Service development officer, reports to the Head Service Delivery. The work responsibilities of Ms BA2, the Service Development Officer, include:

- services to members;
- coordinating training;
- coordinating female related activities regarding how to improve and grow their businesses;
- ensuring smooth operations with stakeholders;
- ensure effective leadership of personnel within the department;
- offering open forums for members and networking;
- recruiting members;
- conducting field visits;
- coordinating branches; and
- coordinating projects.
In 2015, the Services Department employed four staff and had a staff complement of 22 in the entire institution. In the next section, a summary is provided in Table 7.5 of the biographical profiles of the participants interviewed at the institutions.

Table 7.5: Summary of biographical profile of the selected small business support specialists

<table>
<thead>
<tr>
<th>Biographic data</th>
<th>Description</th>
<th>Number of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>4</td>
</tr>
<tr>
<td>Age</td>
<td>54 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>51 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>49 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>46 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>40 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>35 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>33 years</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>28 years</td>
<td>1</td>
</tr>
<tr>
<td>Highest education qualification</td>
<td>PhD in Food Technology</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Master of Arts in Gender</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Master’s in Management Studies</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Master’s in Business Administration</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Master’s in Economics</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Master’s in International Economics and Trade</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s in Entrepreneurship degree</td>
<td>1</td>
</tr>
<tr>
<td>Number of years of working experience</td>
<td>30 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>21 - 24 years</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>15 - 16 years</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>10 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>8 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>6 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4 ½ years</td>
<td>1</td>
</tr>
<tr>
<td>Current job title</td>
<td>Assistant Commissioner</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Senior Investment Executive</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Supervisor Women Banking</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Bank Economist</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Center Manager</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Director Business Advisory Services</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Officers</td>
<td>3</td>
</tr>
<tr>
<td>Period in position</td>
<td>12 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>10 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>4 - 6 years</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>3 years</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>10 months</td>
<td>1</td>
</tr>
<tr>
<td>Current unit/department</td>
<td>Gender and Women Affairs department</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Investment and Promotion Division department</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Business Development and Growth department</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Office of Chief Executive officer</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Center for Incubator</td>
<td>1</td>
</tr>
<tr>
<td>Biographic data</td>
<td>Description</td>
<td>Number of participants</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Business Advisory Services department</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Market Information</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Programmes department</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Services department</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own construction

From Table 7.5 it can be seen that five out of the nine participants interviewed were female. The youngest participant was aged 28 years and the eldest 54 years. In terms of highest education level, one participant had a PhD, seven had a Master’s degree and only one had a Bachelor’s degree. The participants had working experience ranging from 10 months to 30 years and held various job titles of which six participants held senior management positions (Assistant Commissioner, Supervisor Women Banking, Bank Economist, Center Manager, Director Business Advisory Services) while three held lower level management positions (Trade Promotion officer, Service development officer and Programme officer).

### 7.4 SUMMARY

The main objective of this chapter was to present and describe the biographical profiles of small businesses, role player institutions and the participants. This was achieved by describing the sample interviewed and discussing the biographical profiles of the selected Ugandan small businesses. The biographical profiles provided information on the female entrepreneurs and in terms of their small businesses, a description of where the small businesses are situated, how long they have been in existence, type of ownership, average annual turnover and business assets owned. This information is necessary to put the results of Chapter eight on the small business challenges experienced into context of the businesses interviewed.

A summary of the selected participating institutions and participants employed in the selected institutions in Uganda was also presented. The biographical profiles provided information on the institutions in terms of number of branches, nature of ownership, year established, and number of employees. It was clear when analysing the results that the
institutions differed, and had different programmes for small business growth particularly for female entrepreneurs. This can be attributed to their mandate and nature of ownership.

The subsequent chapter will discuss the results of strategies to overcome small business growth challenges.
CHAPTER EIGHT
RESULTS AND ANALYSIS OF SMALL BUSINESS GROWTH CHALLENGES AND STRATEGIES TO OVERCOME IT

8.1 INTRODUCTION
In Chapter Seven the biographical profiles of the three Ugandan small businesses selected and their owners were provided. The biographical profiles of the small business support specialist interviewees and the institutions they are employed in, are also provided.

The business growth aspirations are firstly presented in terms of whether the small businesses have a written business plan, vision and future goals. Thereafter, the main objective of this chapter is to present and discuss the findings of the participants’ interviews regarding small business growth challenges and strategies to overcome the challenges in Uganda. An in-depth analysis of the small business growth challenges revealed that some challenges are industry specific and that some are perceived by female participants while others can be regarded as real challenges as confirmed by the small business support specialist participants.

8.2 RESULTS OF THE SMALL BUSINESS GROWTH ASPIRATIONS
It was important to establish whether the small businesses interviewed have indeed considered growing their businesses; else they may not have been able to provide the information needed regarding the challenges and strategies to overcome the challenges for small business growth. For this reason, small business growth aspirations were explored by investigating if they have a written business plan, their vision and future goals for the business. It was clear when analysing the results that the three small business owners differ in their vision to grow their businesses. This can to a large extent be contributed to the sector they operate in or the entrepreneurial activities they are engaged in.
8.2.1 Business plan

It was evident that participants have no written business plans to guide their business aspirations. All participants seem to have some business ideas in mind, although not written on paper. One participant acknowledged her lack of knowledge on how to write a business plan and not knowing who to approach for assistance.

As noted by the female small business entrepreneurs:

Ms A:  *I have the idea of it in my head, but I have not yet written it down.*

Ms B:  *I don’t have a business plan because the business is still small, but I have the idea of it in my head.*

Ms C:  *I don’t have it written down, but it is in my mind. I do not know who should write it down, how to write it and who can help me write it.*

Business aspirations just remain ideas, unless planning how to achieve it takes place. As Simpson *et al.* (2012:270) pointed out lack of a business plan influences business growth negatively. By developing a business plan, the small business entrepreneur can work purposefully towards growing the business, measuring its growth and devising plans to sustain it.

8.2.2 Vision of business

All participants have visions of growing their businesses, whether increasing the business size, obtaining their own premises or expanding their target market to include higher income clientele.

As noted by the female small business participants:

Ms A:  *I want a big parlour.*

Ms B:  *I have a dream. I want a big clean place where even ministers can come to have a meal.*

Ms C:  *I want to own a big supermarket. I want to buy land near the road, build a two level building so that I live upstairs with a big supermarket on the lower ground.*

According to Orser, Elliot and Leck (2011:580), female entrepreneurs are visionary, demonstrate strategic thinking and are clear-sighted. It was mentioned that a business
with a vision reflects the character of the entrepreneur, their risk taking ability and foresight into the future of the business (Swetha, Reddy & Sudharani, 2014:5335).

### 8.2.3 Future business goals

Participants emphasised that their main future goal is to obtain funding to buy their own premises; increase the size of the business or increase their service offerings. One participant associates the increase in business size with additional benefits such as obtaining goods on credit from suppliers. Of interest is that only one participant seems to have a specific time frame in mind for goal achievement.

As noted by the female small business entrepreneurs:

- **Ms A:** *My future goals are to increase the floor area of the current premises, obtain more funding to expand my business, also offer hairdressing services for males and sell cosmetics too.*

- **Ms B:** *My future goal is to open other branches and to turn my restaurant into a hotel.*

- **Ms C:** *I want to get a bank loan in 2018, so that I can grow my business. By 2024, I want to build a premise and also get suppliers who can give me goods on credit.*

For any business to be successful setting short- and long-term goals is required (Small Business Encyclopedia, 2017). It was further noted that these goals have to be specific, set by being positive and being realistic, while taking into consideration financial security. Achieving goals is very important for female entrepreneurs (Parker, 2010:178). That is why female entrepreneurs set several goals (Sullivan & Meek, 2012:442).

Table 8.1 presents a summary of the code data of the three participating small business interviews that was then categoriesed into business aspiration themes with subsequent sub-themes.
Table 8.1: Summary of the business aspirations of the participating small businesses

<table>
<thead>
<tr>
<th>Main theme</th>
<th>Sub themes</th>
<th>Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business plan</td>
<td>No written plan</td>
<td>A, B, C</td>
</tr>
<tr>
<td>Vision</td>
<td>Expand target market</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>Increase business size</td>
<td>A, B</td>
</tr>
<tr>
<td></td>
<td>Own a large business property</td>
<td>C</td>
</tr>
<tr>
<td>Future goals</td>
<td>Increase current business size</td>
<td>A, B</td>
</tr>
<tr>
<td></td>
<td>Obtain funding for business expansion</td>
<td>A, C</td>
</tr>
<tr>
<td></td>
<td>Extend service offerings</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Sell retail products</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>Increase number of restaurant branches</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td>Own business premises</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td>Obtain suppliers’ credit</td>
<td>C</td>
</tr>
</tbody>
</table>

Source: Own construction

It can be seen in Table 8.1 that although the female small business entrepreneurs have growth aspirations, they have no written business plan to guide them. Their business visions include expanding the target market (hairdressing salon); increasing the business size by buying a larger business property (supermarket); or obtaining more floor space (hairdressing salon and restaurant). Their future goals are aligned with their business visions for growth and it was acknowledged it will require selling more products/services and obtaining funding.

In the next section, the results of the challenges to small business growth will be elaborated on.

8.3 RESULTS OF THE SMALL BUSINESS GROWTH CHALLENGES AND PROPOSED STRATEGIES TO OVERCOME IT

To proposed strategies to overcome small business growth challenges, required to establish what the challenges were. The themes in this chapter was derived at from the content analysis of the empirical data. The content analysis identified eight main challenges namely, small business support, business skills development training, legal business operation requirements, business taxation, access to finance, infrastructure,
family-related issues and cultural taboos. The small business entrepreneur participants indicated their small business growth challenges and provided suggestions on how some of these challenges could be overcome. In addition, the results of the interviews with the small business support specialist participants (data triangulation) either confirmed the challenges that specifically females experience or confirmed that they are perceived and not real challenges. They further provide information of the strategies implemented or planned strategies to overcome the challenges.

Literature from chapters three to five confirmed or disputed the existences of these small business challenges. Where possible, literature pertaining to the Ugandan environment was referred to. Literature in chapter six was not cited in this chapter as the literature review was conducted after it became clear that the participants could not provide many strategies to overcome small business growth in Uganda. As it was important to make a contribution with the outcome of this study, there was a need for practical implementation strategies, meaning strategies that have proven to be successful in other countries (chapter six). The discussion framework of the best practice strategies in chapter six was derived from the entrepreneurial framework conditions for business growth as identified by Singer et al. (2014:58), and not aligned to the themes of the content analysis of the empirical data. How the themes were arrived at for the empirical data presented in this chapter have been already described in the methodology chapter. A discussion of the eight main challenges and strategies to overcome them follows in the subsequent sections. To put the empirical results in context, the small business support specialists provide insight regarding specific issues based on their area of expertise.

**8.3.1 Small business support**

The first main theme, small business support challenges for females as identified by the participants and possible strategies (those already in place and further suggestions) to overcome these challenges will be discussed next. It must be noted that all these challenges are non-financial in nature as access to finance was another identifiable main theme.
8.3.1.1 Challenges
The small business support challenges noted by the three female small business participants are related to no government consultation with them about SMME policies, that small businesses are not receiving support, only large businesses and that the process to obtain small business assistance is time-consuming with no guarantee of being successful in obtaining it. It also seems they perceived to be discriminated against to receive assistance as they are females.

As noted by the female small business entrepreneurs:

Ms A:  *Government does not ask us what we want when setting SMME development policies.*

Ms B:  *Government is not supportive to us because we are small. Government did not ask me for input when setting SMME development policies.*

Ms C:  *Government does not work with us, they target the big people. I fear government will waste my time, so instead I decided to be working on my business. I am not patient and I got fed up because they make us walk back and forth to get assistance and then we hear others got assistance, but they never give us females anything.*

Based on the results of the interviews with the small business support specialists, it seems that government officials acknowledged small business support as a challenge, with no strategic plan specific for female entrepreneurs or consultation at large with them about SMME policies to assist them with growing their businesses. A government small business specialist also indicated that there is the misconception that government support only extends to foreign-owned businesses. The business association appears to have funding challenges to offer seminars where small business information is shared, but it is not offered to females.

As noted by the small business support specialists:

G1:  *I am not aware of a strategic plan specifically developed for female entrepreneurs. Consultation on formulation of SMME policies is not directed at female entrepreneurs.*

G2:  *Government assistance is inadequate. The consultation for SMME policies has not been directed at female entrepreneurs; we work with representative women groups. There is a misconception that the institution supports only foreigners.*

BA2:  *We do not organize seminars for females only. At times when we do not have funds, we do not organise seminars.*
According to Nshaho (2011:100), more than 76% of SMEs reported a lack of proper involvement and consultations by government agencies in key decisions. The government-private sector relations in Uganda have been characterised by poor communication from government which affects service delivery (Private Sector Foundation Uganda, 2012:84). Gender issues have not been firmly addressed in trade policy formulation hence affecting females and the community at large (Otafire & Opio, 2009:3). Nshaho (2011:154) asserted that due to the lack of a policy framework and institutional arrangements SMEs, especially small businesses, are not benefiting from business incentives, support services, and are in general not well-represented in active institutions.

8.3.1.2 Strategies

One of the female entrepreneur participants indicated she can rely on her friend that has already managed to grow her business for business support advice as she regards her as a mentor. This may point to not knowing where to go for assistance or it may be a trust issue.

As noted by one small business entrepreneur:

Ms A:  
"The only person I can rely on is my friend who has a business like mine, but bigger, who comes to my hairdressing salon and advises me."

Female small business participants suggested that government should share information on the small business support available for business growth through trusted institutions such as the church or advertise it in the media, clearly indicating where they can go for assistance. They further expect government to take an interest in their small businesses by visiting them to become more aware of their needs and problems experienced, consult with them on SMME policy development, make them aware of possible public-private partnerships and appoint mentors to assist those with the potential to grow their businesses. To ensure business continuation, it seems that small business participants would like access to an advisor for succession planning and indicated that the university should provide business advice.
As noted by the female small business participants:

Ms A: Government should tell us what they are going to do for us. Government should come and see our businesses to see what we need. I also would like to participate in the process of setting SMME policies. I think the university should give me business advice. Government should come and identify those of us with small businesses with the potential to grow their businesses and then mentor us.

Ms B: They should advertise where we should go or whom to approach for business support to grow our small businesses. They should come to our business and see why we battle. Government should involve me in the process of setting SMME policies. Mentors could come to our business premises so that we know what to do. A business advisor can also come and advise me on what to cook, and how to do it well.

Ms C: They should inform us of business support through the church chairpersons because they can be trusted. I would like to discuss relevant SMME issues with government and tell them how their SMME policies affect my business. I need a business advisor that can tell me what I must do so that my business can go on after I die, or else my efforts will be wasted. Someone friendly like a mentor can come to my business and advise me. A business adviser can also show me to arrange my books and daily records and also assist me with how to use computer records, updating, aligning and to separate it. Government officials can give me a phone call regarding possible public-private partnerships.

The small business support specialists provided various strategies which are already in place in Uganda and are coordinated throughout the key government small business support departments. Government officials confirmed that there are SMME goals, policies and plans in place for small business growth in the National Development Plan II, specifically aimed at female entrepreneurs, and implemented through dedicated agencies and specific programmes. Government created awareness of small business support available through SME divisions, media, publications, promotions and international exhibition days. Government and a training institution further promote small business growth of female entrepreneurs through public-private partnerships (it can be assumed regional or national partners). The business associations appear to offer information for business growth opportunities for female entrepreneurship through their networks, assistance with networking and possible export opportunities, and with improving product and service standards and for obtaining lower prices for products through co-operative buying. They use electronic-, printed- and social media to disseminate information about the opportunities. A training institution offers, in addition to partnership opportunities, business counselling, also a platform where success stories can be shared to motivate female small business entrepreneurs to grow their businesses.
A financial institution provides business advisory services on, among others, due diligence and business planning.

As noted by the small business support specialists:

G1: Our institution supports female entrepreneurs to grow their businesses. We have entrepreneurship goals and have increased investments in female-oriented activities. Within different policies females are given due attention. The institution has developed a Women Entrepreneurship Programme and a plan. Government also has a policy to support all SMMEs. When coordinating business intervention activities, government always creates a specific window for females. Government advocates for public-private partnerships through the Private Sector Foundation Uganda which promotes SMMEs, and the Uganda Export Promotions Board. Government makes entrepreneurs aware of public-private partnerships through media, publications, promotions, and international days by holding exhibitions. Key organisations like Uganda Women Entrepreneurs Association Limited and Private Sector Foundation Uganda represent them.

G2: Government has a supportive business environment through agencies that are set up with a focus on females. In the National Development Plan II the gender aspect is embedded within. The institution creates awareness of government assistance programmes for business growth through our division for SMEs which focuses on domestic investment. We advocate for female participation in public-private partnerships, for example before we sign for projects, we check through our database to get female entrepreneurs to participate. Consultation process is stated and facilitated by civil society organisations, which then inform government. We also ensure coordination of programmes from inception to implementation to post implementation/evaluation. Our organisation has a mentorship programme for follow-ups. Our institution focuses on Women Entrepreneurs Network in business to build capacity, create business linkages, networking and participate in breakfast meetings.

T1: The incubation center at Makere University uses the website to announce conferences and participate in radio programmes.

T2: We create partnerships for our entrepreneurs, encourage sharing of experience and challenges; provide business counselors, do follow-ups and document success stories.

BA1: We engage in promotion of clusters for prices with stakeholders and cooperatives. We provide information on business growth opportunities to female entrepreneurs like conferences, exhibitions, financial business developments service opportunities through our networks, grants and funding opportunities for their businesses. The information is disseminated through email, quarterly newsletters, annual reports, SMS, breakfast meetings, word of mouth, and social media (depending on type of information). During meetings females are encouraged to share their success stories and challenges in business, newsletters, ICT tools like WhatsApp, news media, radio, TV talk shows when the opportunity arises. It is our mandate to provide capacity building that is mentoring and coaching and business development services. We provide mentoring, advise females on business management, finance, marketing, record-keeping, expenditures. We mentor female entrepreneurs once a year. The mentorship relationship (Mentor and Mentee) is for six months, they have one hour per month. The meeting place depends on mentees/mentors. They meet at the mentee’s business or our offices.
BA2: We provide assistance with exporting to different markets, attending trade fairs, and shows. We provide a networking platform so that entrepreneurs interact with each other and also organise two annual events for females countrywide to enable them to plan for their businesses. We assist them to improve the standards of their products and services.

F2: When we are conducting an appraisal and when the project is feasible we give advisory services as due diligence. We also provide guidance to female entrepreneurs on developing a business plan and business costing.

The government small business support specialists also acknowledged that more can be done to develop female-owned small businesses and proposed several strategies that can be considered. Specific divisions of government were identified which could provide more support to female small business entrepreneurs. It is also acknowledged that more input must be obtained from female small business entrepreneurs and that the policies should be explained to them. They must be informed about the importance of being a registered formal business. One of the business associations also plan to get export partners for female small business entrepreneurs. It was further suggested by a business association participant, that females also need mentoring and should be matched with suitable mentors who could assist in addressing their needs. It seems that if mentors are paid, access to more mentors may be obtained and that all parties must be briefed about the expectations of the mentoring relationship. It was further indicated that monthly feedback on progress made should be obtained from the mentors and then again six months after receiving the mentoring.

As noted by the small business support specialists:

G1: More assistance that government can offer to encourage growth of female small businesses is through specific divisions like: the Ministry of Trade, Industry and Cooperatives, Uganda Industrial Research Institute, National Agriculture and Advisory Services and Enterprise Uganda Trainings. Currently (2015) the institution is working on a policy to support and encourage females. Females require guidance and information so that they can be formalised.

G2: More consultation is needed through females and policies or programmes should be implemented not enforced. We should start implementation by starting from the grassroot,s so that female entrepreneurs understand the policy. The multiplier effect is higher there than here in the office.

BA1: We need sensitisation countrywide. It should be demand driven with value. Helping mentors value giving back to society by having a reward system. Design organisations for mentees and mentors. So that the entrepreneurs first apply and then be matched. Brief
training or an introductory training session on what is mentoring, a contract for all parties, that is mentor, mentee and the service provider. The organisation follows up and does monthly reports. Then six months later the programme is evaluated.

BA2: We also plan to get partnerships for entrepreneurs.

It has been confirmed by Nshaho (2011:37) that the government of Uganda is at the forefront of improving the business environment through various institutions. In Uganda, the Ministry of Gender Labour and Social Development has the mandate to establish appropriate mechanisms, set standards, give support, coordinate, implement and monitor female-related initiatives countrywide (Bbumba, 2007:23). The Ugandan Government has established the Directorate of SMEs under the Ministry of Trade, Industry and Cooperatives (MTIC) with its affiliated institutions, departments and agencies (Kyambadde, 2015:4) to design and implement the necessary policies and programmes that support the development of the SMME sector especially in skills development, entrepreneurship promotion, and research and business incubation for SMMEs.

The National Development Plan II 2015/2016-2019/2020, stated that in order to achieve gender equality and female empowerment, the Ugandan Government will ensure a framework for coordinated interventions through a national policy to eliminate gender based violence and strengthen the capacity of females for increased competitive entrepreneurship and provide appropriate technologies to females (Museveni, 2015b:75). Singer et al. (2014:57) stated that the extent to which government policies set out strategies to provide support to entrepreneurs, determines their ability to grow their businesses. According to the National Small Business Survey of Uganda (2015:36) the government should give priority to providing information to improve entrepreneurship skills and training. Awareness of business support in Uganda takes place through sensitising communities using print, audio and visual media. Mugabi (2014:29) stated that business plans and record-keeping are considered essential to a female entrepreneur's success.

According to Bulsara, Chandwani and Miniaouii (2014:895), supportive national and local policies, and targeted international assistance, could help Ugandan female entrepreneurs
increase exports and benefit the whole country. Uganda mainly exports its products to regional markets (Ministry of Finance, Planning and Economic Development, 2013:43). Over time, Uganda is endeavoring to implement economic growth reforms (Museveni, 2010:10) and create a comfortable trading environment for entrepreneurs to do business with their global partners (Indrawati, 2014:107), such as the East African Community and Common Market for Eastern and Southern Africa with similar development levels (Anderson & Mensbrugghe, 2007:530). Beyond the region, Uganda’s main trading partners within the Asian continent are India, China and Japan (Mungyereza, 2013:70). These initiatives can spur the growth of female small businesses.

### 8.3.2 Business skills development training

The second main challenge, business skills development training as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge, are discussed next.

#### 8.3.2.1 Challenges

The three female small business entrepreneurs identified lack of availability and opportunities for attending business skills development training programmes that can assist them in growing their small businesses as a major challenge. They are not aware of the skills development training programmes available and are uncertain that when on offer, it might waste their time and not take place. Consideration was given to approaching the university, but who to approach and how to get there was problematic. It seems they are in need of management skills training on staff selection, money management, business growth, equipment procurement, bookkeeping, customer care, taxation and information technology. Technical skills training may be desirable for some service small businesses such as how to cook food to improve their catering skills.
As noted by the female small business entrepreneurs:

**Ms A:** There are no training programmes on offer for us small businesses. I need assistance in how to manage my money, grow my business and how to get good equipment.

**Ms B:** I have not seen training programmes for small businesses advertised. One time we were invited for business training at Lugogo and the people who announced it did not turn up, so I won't go again. I need assistance in catering, auditing, income and expenditure, customer care and taxation.

**Ms C:** I am not aware of any training programme offered for small businesses. I need advice on record-keeping, information technology and business management. I have thought about approaching the university to assist me to grow my business, but do not know how to get there and who to see.

Based on the results of the interviews with the small business support specialists, it seems government acknowledged the need for consistent entrepreneurial service training delivery across the board and that existing training is not addressing all the needs of female entrepreneurs. It was also suggested that service delivery of entrepreneurship programmes must be consistent and have a long-term focus. Areas of training identified are mostly related to financial literacy.

As noted by the government officials:

**G1:** There is a need for consistency in service delivery of entrepreneurship programmes and interventions to reach females to build lasting relationships. The female entrepreneurs lack financial literacy skills especially in bookkeeping.

**G2:** Female entrepreneurs have limited financial literacy. Once we conduct business training for female entrepreneurs, we always establish that they need more training in other areas.

These results are in line with findings by Nshaho (2011:88), who reported challenges regarding business skills development training programmes in terms of lack of awareness of the availability of SME business development support services, that services are not tailored to SME needs, coupled with lack of continuity in the provision of services by the providers. Simpson et al. (2012:270) emphasises the importance for an owner to have experience, skills and knowledge as it influences managing the business operations. Evidence indicates that the less financially literate, the more likely entrepreneurs will face challenges regarding debt management, savings and obtaining credit, and the less likely
they will consider planning for the future (Nkundabanyanga, Kasozi, Nalukenge & Tauringana, 2014:340).

### 8.3.2.2 Strategies

The three female small business participants identified several people and institutions that can offer skills training to grow their small businesses: government, professional business advisers and business associations. Female participants suggested that government should offer public-private partnership training. They want professional experienced business advisors to offer business skills development training programmes, in particular on money management and computerised record-keeping and depending on the type of business, also assisting them with technical training. The participants also identified that the university can assist them by offering talks, seminars and workshops on various management topics regarding business growth. The participants also suggested that business associations should become involved in adult business skills training and via the local councils make them aware of the training programmes on offer.

As noted by the female small business participants:

- **Ms A:** *After government visits me they should call me to come for a discussion and then I must get training on public-private partnerships (“Omusimo” - meaning training). Some business person must train me on how to handle my money, and how to get good equipment. The business associations should advertise so that we know about them.*

- **Ms B:** *The University can organise workshops and train us in managing our businesses. They can also help me with catering training, getting me people who can help me in the catering service until I learn how to do it very well. Business associations should also come and visit us and offer adult training (“Emisomo”). A government official should organise training on public-private partnerships for us.*

- **Ms C:** *The University can assist us to understand business and get more business knowledge. Business associations should go to Local Councils and they can direct them to our businesses for training offerings. I would like training to be communicated on how to get money and access to loans without collateral requirements.*

The small business support specialists provided various strategies which are already in place in Uganda. Several entrepreneurship-oriented business skills development training programmes are offered through different institutions such as the bank, private sector,
government, university, export institution and formal skills training institutions. The length of the training varies depending on what is to be achieved from breakfast meetings to short course workshop training of a week long. The topics covered vary from matching females with missions, how to participate in public-private partnerships, export requirements, how to market their businesses, negotiating and closing contracts and dealing with investors, as well as general management training. Training takes place at the institution at times or can even take place at the client’s venue depending on the institution offering it.

Many institutions seem to offer training programmes for small businesses. Awareness of these business skills development training programmes or other assistance takes place in-person or online via for example emails, word-of-mouth, SMS, referrals, associations and agencies. Some of the training programmes seem to be for free, while others offer reduced rates to female entrepreneurs. It seems that vulnerable groups such as female entrepreneurs receive reduced rates to attend training programmes. Training programmes seem mostly short-term in nature. Business skills training mostly appears to focus on technical training, marketing, concluding deals, managing finances and exporting. Networking opportunities and collaboration information are also offered as well as public-private partnerships.

As noted by the small business support specialists:

G2: We have entrepreneurship training programmes and also organise the Presidential Round Table. Government creates awareness of training through several mechanisms such as a database of female entrepreneurs. We use emails, word-of-mouth, SMS, referrals, our network, and invitations with a friend, districts, investment promotions, media, associations and partner agencies. We look at our role and then find partners who can bring in what we don’t have, such as Management Training and Accountancy College (MTAC) and Makerere University Business School (MUBS). We provide female entrepreneurs with skills and prepare them to participate in specific public-private partnerships meetings. We also prepare female entrepreneurs on how to interact with investors, how to market, negotiate, draw contacts and pitch. Basically working with and engaging females through networks and collaborations with embassies.

T1: We have an incubation programme which has a number of training programmes like marketing, bookkeeping and promotions. The incubation center uses the website to announce workshops and with word of mouth, incubatees as referrals and promotions to create awareness of training programmes. We offer short course skills training programmes. We conduct in-house training or at the client’s venue.
There are enough training programmes offered by banks, donors and government. Female entrepreneurs need nurturing, handholding, business incubation centers. We have a five day training programme once every month. But the youth, women and SMMEs pay UGX/ZAR 50,000/166.6 per day or UGX/ZAR 450,000/1,500 per week for 30 participants. We do not give handouts and a transport refund. The perceived value and having a 100% attendance is usually due to certification on full attendance. The training starts at 8:00 am and ends at 5:00 pm for five days. We create awareness through sensitization workshops, local leaders, media, in-house field teams and politicians. Awareness creation is segmented into females, youth and SMMEs. We put up a programme for Local Council leaders, radio programmes through media, have our own in-house field teams, use bank clients where banks that are EU clients give them their clients lists with contacts and we send them messages. Also sensitization workshops with all key stakeholders and a big launch before starting the awareness of training programme are vital.

We offer entrepreneurs training on how to export. We also offer skills development on sanitation, meeting national and international standards and counselling. Later the non-governmental organisations pick from there to also support females (National Export Strategy-Gender dimension).

It is our mandate to provide capacity building through training. Other training programmes we have are the Girl Entrepreneurship Programme (GEP) and Women in Business Club/SACCO. We help females by starting an enterprise institute offering training programmes to them.

Training and workshops are paramount in improving female small businesses. This is done through holding female innovative talks where females listen to each other, and this encourages them to move on. We provide information on skills upgrading training which takes one week depending on the sector for example motor vehicles and cake baking. We also provide information on markets across the region like Rwanda and Tanzania, and innovations for the business. This information is disseminated through networking workshops, emails, sms, phone calls, yearly events calendar, radio stations in the Central Region like (CBS, Simba, Radio 1 and Premium) and up country stations. Female small entrepreneurs are encouraged to share best practices because it is a motivation factor and also enables them to improve and strengthens their work in future. The information sharing takes place online, by WhatsApp group, networking forums and social media. We provide mentoring to female small business entrepreneurs to grow their businesses. The way the mentoring programme should be structured will depend on the females’ needs. We hold one session every quarter, bringing in service providers in the different fields and taking them on exposure visits in different sectors and countries internationally. All service providers for females are identified, sector based then hold networking workshops at grassroots and top-level.

Awareness is also created through financial literacy programmes organised by the Uganda Bankers Association.

It was further acknowledged by government officials that more consultation on business skills training programmes is needed to determine the specific training needs of female entrepreneurs. It is suggested that training on financial literacy is needed and also how to manage work- and family life.
As noted by the small business support specialists:

G1: More consultation is needed; especially on which appropriate programmes or interventions are needed to support females to improve their lives and businesses. They need financial literacy skills.

G2: ... though there is still a need for nurturing female capacity.

Knowledge and skills possessed by a person are of particular importance since there is a link between skills and perceived entrepreneurial behaviour (Katono, 2011:374). Knowledge at different levels is transferred from the private and public sector to growing businesses in Uganda by government, private sector and civil society through formal and non-formal training and education (Namatovu et al., 2010:51). According to the National Small Business Survey of Uganda (2015:36) the government should give priority to providing business services through consultants to improve entrepreneurship skills and training.

Some progress has been made towards upskilling the Ugandan labour force (Museveni, 2015b:38). The country’s competitiveness is driven by education and training (Schwab, 2013b:10). Therefore, female business owners must take greater responsibility for their own learning to improve entrepreneurial education, competency and literacy (Garwe & Fatoki, 2012:458). For instance, proper record-keeping depends on the training, education and experience of female entrepreneurs (Musah & Ibrahim, 2014:112). According to Mugabi (2014:29), females require more training in business skills and financial literacy because of their lower level of education and work experience.

8.3.3 Legal business operation requirements
The third main theme, legal business operation requirements challenges as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge are discussed next.

8.3.3.1 Challenges
The female participants complained about not been adequately informed of the business registration requirements beforehand which result in being caught off guard and the
closure of their business that day or even facing arrest. The closure of the business led to no sales for the day. They also are discontent with the lengthy and cumbersome business registration and trading license application process and the cost of the trading license. It seems they expect an explanation on how the cost structure of the trading licenses work and that female business owners should be exempted from paying as it discourages them from starting or growing their businesses.

As noted by the female small business participants:

Ms A: The Kampala City Council Authority officials came without telling us and my shop was closed. The process of registration was really very long. It took a whole day without working.

Ms B: The trading license fees are too high. The fee for opening a business is also high. All these policies discourage us. The Kampala City Council Authority officials could have arrested us and even closed the restaurant. The money they demanded was too much and the food remained unsold because my place was closed. As females we should not be paying for a trading license.

Ms C: The trading license charges are high. No assessment of my business took place; I was only asked what business I have and where it is. The officials do not explain to you why they are charging a certain amount. Because I do not know what to do, I just pay the fee which means I have to work very hard. At the Nakawa Division you have to go to many offices to complete the whole process.

A small business support specialist acknowledged that the current business registration process seems ineffective in encouraging females to grow their small businesses because the female small business entrepreneurs are not knowledgeable on what is required, expect assistance to complete the process or are ignorant about the process.

As noted by a government official:

G2: Some females want someone to do it for them because they do not know what to do during the processes of business registration and paying for a trading license. Females do not want to find out about issues regarding business registration and trading license processes.

Business licensing legitimises business activities and ensures businesses operate within set rules and regulations (Nshaho, 2011:73). It is the mandate of the Uganda Registration Services Bureau (URSB) under relevant laws to ensure all businesses operating in the country are registered (Musumba, 2012b:2). However, because business registration is
not strictly enforced in Uganda, most small businesses are not yet registered due to obstacles such as high fees, long processes, and lack of knowledge regarding the registration process and how to go about it (Mayoka & Balunywa, 2012:118). Until 2015 trading license regulations were not strictly enforced. The majority of business licenses are processed and issued in the Kampala Capital City, which requires entrepreneurs to make several trips to submit the required paperwork to obtain necessary licenses (Ssendaula, 2012:6). An entrepreneur is required to pay the annual trading license fees depending on the area of operation and business category. After assessment and upon payment a trading license certificate is issued (Kampala Capital City Authority, 2014:1).

8.3.3.2 Strategies
The three small business participants suggested that government should give detailed information on the current business registration and trading license process, and suggest various ways how to improve it, the time required to pay and how to save time and reduce the costs of obtaining it. They are of the opinion that females should be exempted from having a trading license.

As noted by the female small business entrepreneurs:

Ms A: The Council should first talk to us about the license processes so that we can understand the process.

Ms B: The Council should be informing us on time about paying for a license and they should also reduce the amount so that I am able to pay on time. Females should not pay for trading licenses.

Ms C: The Council should give us more information on when we can pay, such as early like in January so that I do not line up. I want to know the benefits of paying the license fee. We should also be able to use mobile money to make it quicker to pay the fee. The Council should have one big office or several offices close to each other to save me time.

The government small business support specialists confirmed that female small business entrepreneurs approach them for information on registration and that there is information sharing and assistance to complete and/or obtain the necessary documentation and the benefits of being registered. They also regard the process as a simple process. These results actually contradict those of the three small business entrepreneurs interviewed.
As noted by the small business support specialists:

G1: Female entrepreneurs come for assistance mostly on information regarding registration of non-governmental organisations.

G2: The current business process is easy and female entrepreneurs are sensitised. The procedures are simple. We have an SME division where we prepare entrepreneurs to do it on site and in most cases they have all the requirements. We inform them if they must formalise and register as a business, but make them understand the benefit of a formal company.

F2: We also provide guidance to female entrepreneurs on business registration.

A government official confirmed that it is government’s responsibility to encourage female small business entrepreneurs to register their businesses. A business association official also acknowledged the need for the decentralisation of the registration process to make it more accessible for small business entrepreneurs to complete the necessary documentation.

As noted by the small business support specialists:

BA2: There is need for business formalisation to be decentralised from central government to other agencies.

G1: We need to encourage females to formalise.

In 2014, the Uganda Registration Services Bureau implemented the Tax Register Expansion Project in Kampala District in a partnership with the Kampala City Council Authority and the Uganda Revenue Authority to improve service delivery in business registration and licensing (Twebaze, Kainobwisho, Nangobi & Naturinda, 2016:4). Due to this project, small businesses within Kampala City were registered and obtained trading licenses at the same time. By 2016, URSB opened nine small business support service centers in Kampala in the central business district. Registration is driven by a sense of legal responsibility and to gain access to customers who would only deal with registered entities (National Small Business Survey of Uganda, 2015:33). Government also simplified the preregistration formalities by providing information and publications on business procedures for registered and certified small business in areas such as statutory
and tax reporting requirements, certification process, starting and terminating a business and how to conduct paperless transactions (Indrawati, 2014:74).

8.3.4 Business taxation
The fourth main theme, business taxation challenges for females as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge are discussed next.

8.3.4.1 Challenges
All of the female small business participants regard the current taxation assessment rates as not conducive to growing their small businesses.

As noted by the female small business entrepreneurs:

Ms A:  *The current taxation system influences my ability to grow my business as high taxes are charged.*

Ms B:  *The taxation system has influenced my business negatively because the charges are so high.*

Ms C:  *I need advice on taxation. The assessment of which amount of tax to pay is unfair, and the tax amount is too high.*

A government official participant confirmed that the current business tax system in Uganda actually discourages small businesses from growing as growth is associated with high taxes.

As noted by the government official:

G1:  *The current business tax system is not conducive because it is making businesses remain very small by not formalising due to high taxes.*

Previous research has proved that taxation systems have failed to adequately support female entrepreneurs (Ali, Fjedstad & Sjursen, 2014:832; National Small Business Survey Uganda 2015:36; Nshaho, 2011:74; Sebikari, 2014:18). It was further indicated that in addition to taxes being too high, small businesses have difficulty in completing tax returns and see no benefit in paying it as it reduces their capital base. Uganda does not have a
clear national tax policy for small businesses (Sebikari, 2014:13). This leads to tax evasion which includes conspiracies with officers not to pay their levies on goods; under-declaration of their goods; the use of counterfeits; swindling of government funds; receiving kickbacks, commission, representation fees, tenders being awarded to political favourites; and money laundering (Mugarura, 2010:276). Indrawati (2014:231) observed that when small businesses are not performing well, they are not able to pay tax.

8.3.4.2 Strategies

Various suggestions were forthcoming from the female small business participants regarding how government should assist them with business taxation. They proposed that government have a fairer tax system and charge rates according to business size, age and/or turnover. They are of the further opinion that the tax rate should be reduced for small businesses.

As noted by the female small business entrepreneurs:

Ms A: Government should evaluate how big/value of my business is and then tax the business. Government should also reduce taxes on small businesses, so that I am able to pay.

Ms C: The tax assessment should be done based on time in business.

Business associations already offer tax advice for small businesses, in particular to female entrepreneurs.

As noted by the business associated participants:

BA1: We advise females on tax issues.

BA2: We advise females on taxation issues.

The government small business support specialist participants further suggested that female small businesses should be given a tax rebate or pay no tax until they have managed to grow their businesses. The process needs to be explained to them so that they can perceive it as a simple process. The benefits of being a tax registered business should be mentioned to small business entrepreneurs and how it can assist them to export, as tax registration is a global requirement for exporting.
As noted by the government officials:

G1: I think the Uganda Revenue Authority should give tax holidays to promote small business growth among females. We are told that the tax system is simplified and user-friendly, but people fear paying taxes; they need to be sensitised more about the whole business tax process.

G2: Tax registration has become stringent; therefore, very good for business growth nurturing them for global business as they must meet the standards to be able to compete in zones like the integration of the East African Community and COMESA.

To be able to pay government taxes, a business is required to have a tax identification number. Only (37%) of small businesses are said to have a tax identification number and the Kampala Region has the highest number (38%) of businesses with a tax identification number (National Small Business Survey of Uganda, 2015:34). In Uganda, there are two main tax authorities namely the local government authority and the central government through the Uganda Revenue Authority (Sekabiri, 2014:14); the majority of small businesses pay taxes annually. The Ugandan taxation system for small businesses is based on annual turnover of greater than ten million shillings, but not exceeding one hundred and fifty million shillings. Small business turnover is categorised into grades according to business types and taxed accordingly. (How much tax should small businesses pay, 2016).

8.3.5 Access to finance

The fifth main theme, access to finance challenges for females, as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge, are discussed next.

8.3.5.1 Challenges

The female participants regarded access to business finance for small entrepreneurs and specifically for females as a challenge to business growth. They do not seem to think there is funding for their specific business needs. The high interest rates, repayment schedules and provision of security to obtain loans are problematic. They also appear to be subjected to prejudice of females being extravagant. The female entrepreneurs regard obtaining funding as a risk because if unable to pay the money back, it could lead to
business closure. They also distrust the funders and regard government corruption by top officials as limiting the funding availability for small businesses.

As noted by the small business participants:

Ms A:  Access to finance for small entrepreneurs is not adequate. Financing options are not available for female small entrepreneurs because females are extravagant.

Ms B:  The money is there, but female entrepreneurs rarely see it. The top officials divert the finance and by the time it reaches the local people, it is nowhere to be seen. I fear to take the risk of utilizing a loan because of the security they ask because if you fail they come and take up your business.

Ms C:  Not enough funding is available compared to the amount of capital needed. I do not trust funders to advance money. It is also a problem to get money from the bank as I do not have someone to guarantee me. The alternative is for my husband to consent. My husband is so difficult.

A challenge mentioned by both private and public institutions was that they do not obtain sufficient funding to assist with the small business growth of female entrepreneurs. Small business support specialist participants also mentioned that long term development finance opportunities are inadequate and not specific to only female entrepreneurs. Further still, they asserted that it is not easy for female small business owners to access government funding for business growth because the businesses of female entrepreneurs are not formalised, they do not have a business bank account, lack the security necessary to obtain a loan as they do not own property or land, have poor record-keeping skills, are financially illiterate, and slow in making progress with funding received. As they operate as sole proprietors their chance of business continuity is reduced. They also regard finance unaffordable due to the high bank interest rates and tight repayment schedules.

As noted by the small business support specialists:

G1:  The fund available is not sufficient to cater for small business growth for female entrepreneurs. It is not easy for female entrepreneurs to access our finance because most of them operate informal businesses. The interest rates from the banks are high, and some banks have harsh conditions of repayment.

G2:  Government does not obtain sufficient funding to assist with the small business growth of female entrepreneurs. Female entrepreneurs have limited access to finance because they are not prepared. Government does not provide specific financial support for small business growth for female entrepreneurs.
The funding we have is not adequate to assist everyone. It is not yet easy for female entrepreneurs to access our fund because most female-owned businesses are not formalised. In addition, female entrepreneurs operate their businesses without a bank account due to ignorance and are poor at keeping records. We do not have financial support specifically for female entrepreneurs’ small business growth.

We do not have a specific fund for female entrepreneurs for small business growth. We do not have long-term development finance in the country. It might not be easy for female entrepreneurs to access our fund, because they usually come with males and the challenge is that females move slowly. We do not provide small loans below one hundred million Ugandan shillings (RF 333,333.3). Sole proprietors present a problem for continuity and we do not target them for our support.

The main challenge female entrepreneurs face is lack of finance and affordable capital.

They lack capital to engage in business.

The financial sector in Uganda is mainly shallow, narrow and inefficient in terms of the financial products it offers. A wide disparity exists amidst the cost of borrowing and interest rates offered on deposits (Ministry of Finance, Planning and Economic Development, 2011:8). Hence, the flow of credit to small businesses has not been matched with the vast economic contribution of small businesses to the Ugandan economy. A strategic management issue of concern is the limited access to finance for small business growth (Namatovu et al., 2012:21; Private Sector Foundation Uganda, 2012:24). Some of the major barriers to growth which SMMEs feel confront them are limited access to finance and the cost of finance (National Small Business Survey of Uganda, 2015:4). Financial institutions’ portfolio of loans with female-owned small businesses tend to be lower than the share of female-owned small businesses their target markets suggest (Grewe, Bajaj, Kulakoglu & Dorasil, 2011:40). In addition, Uganda’s slow financial market development limits access to finance growth of entrepreneurial activities and sustainability becomes a challenge (Schwab, 2012:352).

The financial sector is also ineffective in mobilising savings and facilitating private sector development (Bitature, 2008:5; Ministry of Finance, Planning and Economic Development, 2011:8). This can be attributed to the limited banking networks; a high proportion of non-performing loans due in part to lack of collateral; the moderate business acumen; the small level of monetisation of the economy; weaknesses of corporate governance in public sector banks to provide for small business requirements; challenges
of supervision and enforcement of prudential guidelines by the Central Bank; absence of business records and bank accounts which make small businesses not qualify for loans and that the income of small businesses are below the threshold and not supported by formal financial institutions (Bitature, 2008:5). The lack of access to finance contributes to the slow growth of female-owned businesses (Grewe et al., 2011:3).

### 8.3.5.2 Strategies

The findings reveal that female small business entrepreneurs use non-traditional informal financial sources that do not require surety such as belonging to a merry go round formed with fellow church members or with business people they know. It works on the principle of a stokvel where one member gets a turn to have all the money put in the fund for the week. Every week it is another member's turn. They are assisted by the Savings and Credit Cooperative Organisation (SACCO) to buy stock in bulk from suppliers.

As noted by the female small business participants:

- **Ms A:** *I access money by belonging to an informal group of business people. We have a group where we collect money every weekend and give one person in the group each week all the money (merry go round). I got money from the Saving and Credit Cooperative Organisation (SACCO) which helped my business as I can buy in bulk from suppliers.*

- **Ms B:** *It is good to be in a merry go round group as I can access money without surety.*

- **Ms C:** *I created a group at church three years ago. It is informal and we meet every Saturday to give a member their money once it is their turn. I belong to the merry go round where we collect five thousand every day and give it to a member every week.*

The small business specialist participants confirmed that there are formal- and informal small business funding opportunities available. They mention that females mostly use the informal "merry go round" for funding. Formal small business funding is available from banks, the Uganda Investment Authority, Enterprise Uganda and SACCO. Many of these funding opportunities are specifically targeting females. It seems that some financial institutions are forming links with other financial institutions to create more funding opportunities. Some institutions assist female entrepreneurs with writing proposals and finding funding sources for their projects, with networking opportunities to obtain funding or with financial record-keeping. Some institutions go beyond their initial purpose such
as the training institution as after training they introduce them to financial partners. One of the financial institution small business specialists indicates they prefer providing small business support to females as long as they meet the application requirements (which seems to be a registered licensed business) as they are good in networking funding opportunities and committed to paying back the loans.

As noted by the small business support specialists:

G1: There are initiatives of promotion through the banks. For example, DFCU Bank where government gave funds to youth and females. Also, the Uganda Investment Authority and Enterprise Uganda provide financial support services. There are grants and project proposals in targeted areas for females. Also, funding from other banks is sourced. Females have informal merry go rounds which work. There are funds for skills training, youth livelihood and SACCOs from the Microfinance Support Center and through other funding partners, especially in media.

G2: We write proposals and tailor them. We create the environment and source for funds through a project. There are several economic initiatives with financial institutions, Finance Trust, DFCU Bank Women in Business programme, SACCOs, Uganda Women Entrepreneurs Association Limited, Youth Livelihood Programme, Micro Finance Support Center, SACCOs and Enterprise Uganda that support female entrepreneurs. It is up to us to breakdown the support for females. We initiate seeking out funders and develop projects.

F2: Female entrepreneurs can access our funds as long as they follow our criteria and procedures. We usually prefer female entrepreneurs because once you develop a female you will have developed many people with whom she associates. Females pay back, are committed and reliable. It is our preference when they tend to comply. We lend to registered businesses especially associations or incorporated businesses. We create awareness through sensitisation programmes on radio, television and newspapers. We also use forums for potential and existing customers. The available fund is short-term, especially provided by commercial banks. We provide funds to female groups and we provide a loan at a minimum of one hundred million Ugandan shillings (R 333,333.3). We are in negotiation to capitalize the bank with one trillion with government, other financiers, Islamic Development Bank and African Development Bank.

T2: After training we link entrepreneurs to financial partners.

BA1: It is our mandate to support females through networking opportunities for females to get funding.

BA2: We assist them to get financial service providers with or without partners. We also assist them with financial record-keeping.

Although there is small business funding support available, the female participants mentioned the need for more financial institutions. They indicated several institutions they think could assist them with finance such as non-banking financial support from non-
governmental institutions, business advisors and to get stock on credit from their suppliers to improve their cash flow. They would like financial loan support for expansion and to buy supplies on credit to increase stock holding. It seems that these small business entrepreneurs are not aware of SACCO or do not meet the requirements to obtain stock on credit. One participant thinks that having a guarantor will enable access to finance and that a business advisor can provide guidance on how to spend and save money. One participant mentioned that flexible and more affordable payment options should be considered.

As noted by the female small business participants:

Ms A: Government should provide more financial institutions. A loan can come from an association. Non-governmental organisations can give us money to use in our business and we pay back. With more money, I can offer new hair styles that I see on television and buy new products from suppliers. I can expand the business, increase the number of employees and pay for business advisers to help me run my business.

Ms. B: I would like a loan that I can pay back after a year or six months e.g. ten million Ugandan shillings from a non-government organisation as it can help me expand my business. What can also work is if I get stock on credit from suppliers as I can then increase my stock. I would like to get some people who are willing to fund me to expand my business.

Ms C: I would also like anyone to guarantee me so that I get more money from the bank. What would help me is if I get credit from suppliers, or can go directly to the manufacturers. I would like to pay a bank loan in small amounts on known dates. To make sure the business is successful I would like to add more money to the business, and get a business partner and also get an advisor in the business who understands my type of business to tell me how to spend my money and to save money.

The small business specialist participants acknowledged that much can still be done to provide financial assistance to female entrepreneurs. The role government can still play to assist female small business entrepreneurs were indicated as simplifying financial messages to make it easier to understand what is said, infusing a savings culture amongst them, obtaining more buy-in from government for increased financial assistance and also engaging with international partners to obtain financial grants. It also seems that there is a need for more government funding for the Women Enterprise Fund that targets specifically female entrepreneurs.
As noted by the small business support specialists:

- **G1:** Our finance messages should be simplified for females to understand. We should inculcate a savings culture to minimise risk.
- **G2:** Increase our vote from government funds. Engage external stakeholders such as the Kingdom of Netherlands. Engage other stakeholders that can help females to develop.
- **BA1:** We help females access funds such as the Women Enterprise Fund, but are still lobbying for more government funding.

The National Small Business Survey of Uganda (2015:20) confirmed that there is a range of financial institutions and products available to small businesses such as mobile money, microfinance institutions, SACCOs, micro money lenders, and credit/finance dealers. Consequently, with sound financial support and a conducive entrepreneurial culture small businesses can be assisted to grow their businesses (Zhang & Si, 2008:697). Several authors (Halkias et al., 2011:232; Jamali 2009:242; Loscocco & Bird, 2012:200) indicate that female entrepreneurs use a combination of financial sources such as personal investments, bank overdrafts, loans from family (husbands, siblings, relatives), friends, supporters, sponsors, and charity organisations. Ssewanyana (2013:18) revealed that in Uganda, the main source of financial information was radio. It was further indicated that females receive financial information on savings, investment and budgeting, mostly from their friends/relatives and that some females need more financial information on opening an account and obtaining insurance.

### 8.3.6 Infrastructure

The sixth main theme, infrastructure challenges for females, as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge, are discussed next.

#### 8.3.6.1 Challenges

Female small business participants seem concerned about the lack of parking space for customers and that they must pay for it. Rural road infrastructure appears to be bad and influences the cost of supplies, so it is an infrastructure specific challenge.
As noted by the female small business participants:

Ms A: *My customers complain about lack of parking space and also parking fees.*

Ms B: *The people who supply us with the food during the rainy season are very expensive due to the bad roads.*

The small business support specialists mentioned that in Uganda businesses have growth challenges related to inadequate road-, electricity and water infrastructure.

As noted by the small business support specialists:

G1: *Infrastructure is not conducive because it is one of the main challenges, especially the roads, electricity and water are really limited.*

T2: *Businesses will not grow without good road infrastructure.*

The most recent National Development Plan II cited that one of Uganda's most binding constraints to development is inadequate physical infrastructure (Museveni, 2015b:3) especially roads and utilities (Kasaija, 2014:49). Worse still, the capacity of electric power supply in the country continues to be a challenge presenting severe constraints to small business operations (Ministry of Finance, Planning and Economic Development, 2011:14). The national road network is rated poorly in terms of addressing the marketing needs of businesses across Uganda (Ministry of Finance, Planning and Economic Development, 2011:14). Private Sector Foundation Uganda (2012:19) confirmed primary obstacles in the transport sector that make SMMEs less competitive as the slow implementation of the major feeder roads linking the production sectors to markets, regional imbalances in transport sector services and an escalation of traffic of commercial and personal vehicles into the central business district. Inadequate infrastructure development stifles the mobility of entrepreneurs and business activities. This limits their competitiveness and ability to grow. Nshaho (2011:17) reported that the existing infrastructural facilities in Uganda related to transportation (roads, railways), power generation, transmission and distribution, water supply and telecommunication are not adequate.
8.3.6.2 Strategies

The general opinion of the female small business participants is that the urban road infrastructure in Uganda is good, but that government should address the problem with rural roads that are not tarred, as it is problematic in the rainy season for some small businesses receiving their supplies from farmers. The female small business participants expect government to provide free parking space for their customers.

As noted by the female small business participants:

Ms A: *The roads are good, so the customers and suppliers reach me very quickly. Government should provide free parking space for businesses especially for my customers.*

Ms B: *The government should tar the rural roads where the suppliers of fresh products come from.*

Ms C: *There are good roads.*

A government official stated that infrastructure development is improving to enable business growth of female-owned small businesses, but it is a work in progress. Another government official acknowledged that government should prioritise rural electrification.

As noted by a government officials:

G1: *Government should prioritise rural electrification.*

G2: *Infrastructure development of roads, transport, dams are built, telecommunications are built to enable business growth though a lot is work in progress.*

Nshaho (2011:66) highlighted that business connections and access to infrastructural facilities drive demand and supply of goods and services. Extensive and efficient infrastructure is critical for ensuring the effective functioning of the economy, as it is an important factor in determining the location of economic activity and the kinds of activities or sectors that can develop within Uganda (Schwab, 2013a:374).
8.3.7 Family-related issues

The seventh main theme, family-related challenges for females as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge, are discussed next.

8.3.7.1 Challenges

The female small business participants highlighted their own and extended family challenges which influence their business finances and ability to grow their small businesses. Their relatives and in-laws expect to receive special customer treatment and favours. They experience work-home life balance problems and have to work long hours without the necessary family support at home. To obtain a business loan, they need their husbands to sign surety which may pose further problems as the husbands claim some money for personal use without contributing towards the payment of the loan.

As noted by the female small business entrepreneurs:

Ms A: *I battle with my relatives because they want to pay less and also have services on credit.*

Ms B: *I leave home to go to work at around 5:00am and go back at 11:00 pm and find all the people asleep. Paying school fees and paying utility bills for my extended family drain my money to grow my business.*

Ms C: *My husband wants my in-laws to stay with us in the home, upkeep like food and utilities are high and they also want to take free things from the shop. School fees requirements are high. The alternative is for my husband to consent. My husband is so difficult. When he signs the consent form he is able to see the amount of money I am borrowing. Then he asks me to give him a percentage for his personal use and I suffer alone when paying for the loan.*

The small business specialist participants confirmed that female small business entrepreneurs experience several family-related challenges which influence the management of their businesses. Spouses abuse the business finance for personal or extended family use and due to their egos regard themselves superior. This resulted in a lack of respect for male spouses which led to some divorces. The extended family increases the number of dependents to care for without receiving child caring support at home while the extended family reaps the benefits of being financially cared for. Family employees are also not committed. It seems that some challenges are caused by the
female small business entrepreneurs themselves as they appear unorganised and unable
to separate business from family finances. Work-home life balance is also a challenge
for female small business entrepreneurs with so many responsibilities.

As noted by the small business support specialists:

**G1:** A poor internal household relationship with a husband, who is not supportive and may
divert money to personal-use, is a problem.

**BA2:** Being a parent and the same time an entrepreneur is challenging. Female entrepreneurs
are at times not well-organised. They also do not have discipline in financial planning and
don’t separate business and family issues. Family responsibilities override the business
activities. Working with co-partners, male partners usually never follow the business rules.
If a negative change in marital status, the female loses the business. In addition, female
entrepreneurs employ relatives and in-laws who are not willing and committed to work
which affects their business operations. Female entrepreneurs are affected by family
responsibilities because most of the time females are taking care of the children. Also, the
husband’s decisions in the business are more critical because they affect the way the
business operates.

**BA1:** Husbands’ egos affect female entrepreneurs so much. For instance, husbands fear that a
working wife might not respect them. In addition, female entrepreneurs have a
responsibility to look after many dependents: children and relatives which affect their
business finances. Some female entrepreneurs have become single mothers because they
look down on their husbands.

Literature confirmed the many family-related challenges of female entrepreneurs such as
the extended family size, commitments and balancing their work-home life that affect the
growth of their businesses. According to McDowell *et al.* (2011:76), Ugandan families
are involved in multiple embedded practices where adult male power is used as a control
tool. Managing business and family becomes more difficult where females are expected
to take care alone of the extended family (Rehman & Roomi, 2012:210). Conventionally,
females are actively involved in making decisions for the family and business affairs (Itani
*et al.*, 2011:416). This is aggravated by the negative male role regarding domestic
activities, societal pressures and a perception that housework is minor (Eikhof *et al*.,
2009:279) which hinder the growth of female entrepreneurs' businesses. As the business
fails to meet family needs, it may lead to the breaking down of the family as an institution
for social change (Kasaija, 2012a:4). A study in Uganda, revealed that poor management
of a business by family members, conflict of interest between manager and family, and
failure to meet family needs are major problems experienced in business (Mayoka & Balunywa, 2013:125). Some of the major growth challenges which SMEs feel confront them are property right restrictions for females (Aterido, Beck & Iacovone, 2013:103).

8.3.7.2 Strategies

One female small business participant indicated that her employees request family members to pay for services rendered. They try to have a work-family life balance.

As noted by one female small business entrepreneur:

Ms A:  
*My employees help me to talk to family members to pay for the services when they come to get their hair done. I try to balance business and family life even with having an extended family.*

The business association participants indicated that they advise female small business entrepreneurs on non-business issues such as family support, health and housing issues. It seems like this support takes place when in a mentoring relationship. They further recommend that female small business entrepreneurs should consult a lawyer to obtain input prior to signing contracts involving spouses’ demands.

As noted by the business association participants:

BA1:  
*We advise them on how to support the family. The mentee is allowed incorporating family issues during the mentoring process.*

BA2:  
*We also advise females and support to get a lawyer to read documents before they consent to husbands’ demands at national and district level. We also advise them on several issues like health and housing.*

The small business participants are also aware of future strategies which can overcome their family-related challenges. They regarded child support as short-term in nature and they expect to be reciprocated by receiving financial assistance from the children in the future. They are also aware that their spouses could share the sibling financial family responsibilities.
As noted by the female small business entrepreneurs:

Ms. B: *When the children finish studying they will help me pay school fees for other young ones.*

Ms C: *If my husband can intervene and assist financially like home needs and school fees.*

The small business specialist participants suggested that all family should be involved in training received or at least attend the first training session to know what is required to manage the business. Spouses should be regarded as working partners. A discussion with cultural, family and community heads should take place over challenges females experience and how it can be addressed. The need to inform female small business entrepreneurs to separate home and work finances by having a separate home bank account was regarded as important.

As noted by the small business support specialists:

T2: *Including family issues in the training is important especially husbands and spouses. Males need the support; deliberate efforts should be made to ensure the training is for a female and a spouse. Especially in the first training include mindset change, and then they may not be part of the other training.*

BA1: *More sensitization is needed. It is also important to get females and males to work as partners. Reducing the dependency rate, will improve female entrepreneurs’ health, training and education. There is a need to involve the cultural, community and local councils with family heads in female interventions. Ensuring consistent communication about family issues and developing community and family programmes.*

BA2: *Empowering females with skills in opening a bank account for home purposes.*

Female entrepreneurs feel satisfied if they can combine family life and business, build business confidence and improve profits (Itani *et al.*, 2011:418). Halkias *et al.* (2011:230) found that female entrepreneurs felt their family; primarily a parent or husband can support them, although it is more challenging when children are ill. Itani *et al.* (2011:419) mentioned that females can manage their businesses more efficiently if employing a house helper to reduce family commitment pressures, by managing time better by prioritising, involving males in family responsibilities, seeking support from family members by allocating duties, and looking for more business support from employees. The choice of a business for female entrepreneurs depends on location accessibility that can accommodate family needs and child rearing (Minniti, 2010:297).
8.3.8 Cultural taboo challenges
The eighth main theme, cultural taboo challenges for females as identified by the participants and possible strategies (those already in place and further suggestions) to overcome this challenge, are discussed next.

8.3.8.1 Challenges
One of the small business entrepreneurs indicated that religion, especially of their spouse, restricts the sales of some products. In the Ugandan culture there appears to be male gender stereotyping in terms of who should own a business.

As noted by a female small business participant:

Ms C: I cannot sell alcohol because I am an Adventist by religion and my husband is a strongly religious person. My in-laws call me “kyewagula” (meaning a disobedient unruly person). It means I do what even men can do.

The small business support specialist participants confirmed that there is product sale restriction related to religion. There is also male gender stereotyping of who should own a business and that society attached a stigma to female small business entrepreneurs as the male is the dominant figurehead in the family and financial provider. Another cultural barrier is a lack of property ownership by females due to not being able to provide security. It was further indicated that some male spouses are not open regarding their financial affairs and can be deceitful by donating assets to their children and not to their wife.

As noted by the small business support specialists:

BA1: Beliefs about the role of females. Societal expectations: females are not expected to do business; the money goes back to the male. Males are not open with the family; they hide finances from females and at times put assets in the names of the children. Fear that the does not approve females to work (societal stigma) which affects her success. They lack land to engage in business.

BA2: Religious beliefs which do not accept dealing in certain business activities and also male dominance affects their work. Females lack legal representation.

F1: The female entrepreneurs lack security because they do not own property.
Married females’ inability to gain control due to gender inequality views and cultural attitudes and beliefs of females in general, create barriers to small business growth (Ellis et al., 2006:21). The Ugandan culture is characterised as being low in power distance, masculine, collectivist, high in uncertainty avoidance and short-term in its orientation toward time (Rarick et al., 2013:2) which affects business growth. Family and business are significant aspects in any person’s life cycle (Heilbrunn & Davidovitch, 2011:128). Otafiire and Opio (2009:6) warn that female entrepreneurs often find it difficult to find time to attend training in the midst of family commitments. Therefore, balancing between work and family life is one of the top priorities for female entrepreneurs (Itani et al., 2011:416).

8.3.8.2 Strategies
The small business entrepreneur participants acknowledged that they at times defy cultural taboos by obtaining assets such as land and a vehicle as it is not just beneficial to grow their businesses, but the whole family can benefit from these assets. One of the small business entrepreneur participants suggests hard work and many customers are key to business success.

As noted by the female small business entrepreneurs:

Ms A:  I have bought land, a car and been able to look after all my dependents. I am lucky to have many customers and to have been able to sustain the business for a long time with all my family commitments.

Ms C:  I am successful because I am hardworking. I now own a house and car, my children are in good schools and I have a big supermarket, in spite of family commitments.

Business association participants acknowledged there is room for contesting female rights in business. They further suggest that female organisations should conduct sensitisation training to empower females in business and that both marriage partners should attend. They should further engage cultural and opinion leaders to advocate for female rights, especially those in business to get community buy-in about the changing role of females and encourage males to become their spouses’ business partners.
As noted by the business association participants:

**BA1:** Sensitisation by female organisations that fight for female rights is required. Engagement of cultural and opinion leaders, and get their buy in. Programmes that are family oriented and informing male that female succession in business is natural. It is also important to involve the male so that they can appreciate that females can be partners in business. Educating and exposing females to knowledge that being in business is a natural thing.

**BA2:** Empowering females with information is the reason why we organise unrelated business workshops. We entice female entrepreneurs to join male dominated sectors, this helps them to widen their thinking and gain confidence. We advise them on several issues like owning land and obtaining a land title.

Uganda’s cultural heritage is deeply rooted in the historical roots of the communities, in the pre-colonial times, the social, political and economic organisation of communities revolving around family, clan or the institution of traditional leaders (Ministry of Education and Sports, 2013:9). For instance, spousal consent in Uganda is a legal requirement on all matters relating to land from which the family derives sustenance (Bbumba, 2007:5). Culture influences human activities, determines learned social behaviours, business and knowledge of female entrepreneurs (Rutto et al., 2013:5). Ugandan cultural beliefs, traditions, values and myths are critical in modeling society (Ministry of Education and Sports, 2013:9). Cultural factors inhibit Ugandan females from realising their entrepreneurial potential such as lack of control over productive resources and assets is a systemic issue; inequity in marital status and property ownership intersects with cultural attitudes and beliefs to create barriers to small business growth (Ellis et al., 2006:21). It is thus clear that if these are not addressed, cultural challenges influencing the growth of female-owned small businesses will remain.

### 8.3.9 Summary of main themes and subthemes of small business growth challenges and strategies

As can be seen from the empirical results, some challenges seem generic to all small businesses while some could specifically relate to female small business entrepreneurs only. As the aim of this study is to specifically provide strategies to overcome the challenges of female small business entrepreneurs, the following section provides a summary of the results of the challenges identified by the participants (as in the content analysis) indicating which challenges were generic and which were pertaining to female
small business entrepreneurs. A summary of the main themes and subthemes of small business growth challenges are presented in Table 8.2.

Table 8.2: Summary of main and sub-themes of small business growth challenges

<table>
<thead>
<tr>
<th>Main themes of challenges</th>
<th>Subthemes of challenges</th>
</tr>
</thead>
</table>
| **Small business support** | • No government support for small businesses  
• Government has funding challenges to offer small business seminars  
• Process to obtain small business assistance is time-consuming with no guarantee of being successful  
• Government support is for only foreign-owned businesses
  
• **Female-specific:**
  o No government consultation about SMME policies  
  o No specific government strategic plan for female entrepreneurs  
  o Female discrimination to receive business advice assistance |
| **Business skills development training** | • Lack of awareness of business skills development training programmes  
• Lack of availability and opportunities for attending business skills development training programmes  
• Lack of specific management skills training on staff selection, money management, business growth, equipment procurement, book-keeping, customer care, taxation and information technology  
• Lack of financial literacy skills training  
• Limited technical skills training  
• Inconsistent service delivery of entrepreneurship programme and short-term orientation  
• Uncertainty if training will take place  
• Not knowing who to approach at the university for skills development training
  
• **Female-specific:**
  o Existing training does not address all needs of female entrepreneurs |
| **Legal business operations requirements** | • Not adequately informed of the business registration requirements  
• Lengthy and cumbersome business registration and trade licensing process  
• Lack of assistance to complete the process  
• Closure of business or being arrested if not complying  
• Cost of the trading license |
| **Business taxation** | • Unfavourable current taxation assessment rates  
• High tax fees  
• Current business tax system discourages business growth |
| **Access to finance** | • Lack of funding for specific business needs  
• Lack of security to obtain loans  
• Inadequate long-term development finance opportunities  
• High bank interest rates  
• Tight repayment schedules  
• Risk of inability to pay back funding  
• Government corruption by top officials |
<table>
<thead>
<tr>
<th>Main themes of challenges</th>
<th>Subthemes of challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Female-specific:</strong></td>
</tr>
<tr>
<td></td>
<td>o Subjected to prejudice of being extravagant</td>
</tr>
<tr>
<td></td>
<td>o Distrust funders</td>
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<tr>
<td></td>
<td>o Businesses are not formalized and so limiting funding access</td>
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<tr>
<td></td>
<td>o Not having a separate business bank account</td>
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<tr>
<td></td>
<td>o Poor recordkeeping skills</td>
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<tr>
<td></td>
<td>o Financial illiteracy</td>
</tr>
<tr>
<td></td>
<td>o Slow progress in effecting growth with funds received</td>
</tr>
</tbody>
</table>

| Infrastructure            | Inadequate rural road, general electricity and water infrastructure |
|                          | Lack of parking space for customers |
|                          | Customers paying for parking space |

| Family-related issues     | Family employees are not committed |
|                          | Extended family increases the number of dependents to be cared for |
|                          | Relatives and in-laws expect to receive preferential customer treatment |

|                           | **Female-specific:**    |
|                           | o Battle with work-home life balance |
|                           | o Long working long hours without family support at home |
|                           | o Husband claims some loan money for personal use |
|                           | o Disrespect of male spouses leads to divorce |

| Cultural taboos           | Religion restricts some products sales |

|                           | **Female-specific:**    |
|                           | o Ugandan society attached a stigma to female entrepreneurs |
|                           | o Ugandan male gender stereotyping on who should own a business |

Source: Own construction

As depicted in Table 8.2, many small business support challenges are government-related such as lack of female consultation on SMME policies and no specific strategic plan to assist female small businesses to grow their businesses. Females also perceived that only foreign nationals are receiving business support, or being discriminated against based on their gender or owning a small business and not a large business. Females also regard the process to obtain small business support as time-consuming with no guarantee of being successful in receiving it or it taking place. Funding challenges also prevent small business support seminars from taking place.

There is a lack of awareness of available business skills development training programmes and the perception that the training programmes are not addressing all female needs to grow their small businesses. Inconsistent skills training programme delivery, together with the uncertainty of whether it will take place and who to approach
for training are hampering small business growth. Small business growth is also affected by the limited business registration information, the high cost of trading license and the unfavourable tax system for small businesses.

Funding challenges play a major role in small business growth, as access is difficult due to lack of security or not being specific to needs, with high interest rates and tight repayment schedules resulting in non-payments. Government officials appear to be corrupt in funding allocation. Females entrepreneurs not having formalised businesses or separate business bank accounts and poor financial literacy and record-keeping skills as well as their lack of trust in the funders also further complicates obtaining funding for small business growth. Female gender stereotyping and having to obtain their spouse’s signature and resultant interference in claiming some funding further hampers their small business growth. Rural road infrastructure with urban parking facilities also influences small business growth. Family members take advantage of the small business owner for preferential customer treatment or non-payment for products/services or if employed by the business by being uncommitted.

Family-related issues such as struggling to manage work-home life, long working hours, having to look after the extended family and the husband taking advantage of claiming some funding obtained for growth, also affects the their ability to grow their small businesses. Family employees are not committed and the families are taking advantage of the perception that female small business entrepreneurs are financially sound to take care of an extended family or that they can get preferential or free goods/services. Female prejudices about owning a business affects the growth of their small businesses and cultural taboos such as some religions restricting the sale of certain products further affects small business growth.

When considering the strategies for small business growth, it appears that it was within the context of the small business specialists’ area of expertise. For this reason, the following section provides a summary of the results of the strategies to overcome small
business growth challenges identified by the participants (in the content analysis) clearly indicating who must affect which strategies. Table 8.3 provides a summary of the content analysis on the strategies suggested by the female small business entrepreneurs and small business support specialists on how to overcome the challenges to business growth.

Table 8.3: Summary of main and subthemes on the strategies to overcome small business growth challenges

<table>
<thead>
<tr>
<th>Main theme</th>
<th>Subthemes</th>
</tr>
</thead>
</table>
| Small business support strategies             | • **Government must:**  
|                                               | o Encourage female entrepreneurs to grow their small businesses  
|                                               | o Disseminate information on business growth opportunities via extensive media (electronic, printed and social) coverage  
|                                               | o Consult females entrepreneurs at large about SMME policy development  
|                                               | o Develop a National Development Plan with specific provision for females in their set SMME goals, policies and plans  
|                                               | o Create awareness of public-private partnership opportunities  
|                                               | • **All small business support institutions must:**  
|                                               | o Encourage female small business entrepreneurs to acquire assets such as land and a vehicle as it benefits both the business and the family  
|                                               | o Stress the importance of increasing their customer base for small business growth  
|                                               | • Export promotion institutions must obtain export partners for female small business entrepreneurs  
|                                               | • **Business associations and training institutions must:**  
|                                               | o Offer business advice and counseling  
|                                               | o Provide access to mentors  
|                                               | o Provide succession planning advice  
| Business skills development training strategies | • **All training institutions must:**  
|                                               | o Create awareness of business skills development training programmes via appropriate media (electronic, print, and social) coverage  
|                                               | o Assess training needs of female entrepreneurs to tailor programmes to specific needs  
|                                               | o Offer technical, business management skills development and managing work-family life training  
|                                               | o Make aware and offer training on how to obtain public-private partnership  
|                                               | o Organise various time duration training programmes (breakfast talks, seminars and workshops) that suit the time constraints of the small business entrepreneurs  
|                                               | o Offer reduced training rates for female entrepreneurs  
|                                               | • Business associations especially if female-led must conduct sensitisation training to empower females small business owners with their partners present  
| Legal business operations requirements strategies | • **Government must:**  
|                                               | o Give timely detailed information on the current business registration and trading license process requirements  
<p>|                                               | o Offer assistance to complete and/or obtain the necessary documentation |</p>
<table>
<thead>
<tr>
<th>Main theme</th>
<th>Subthemes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Main theme</strong></td>
<td>Subthemes</td>
</tr>
<tr>
<td>o Explain the benefits of having a registered business</td>
<td>o Government must:</td>
</tr>
<tr>
<td>o Decentralise the registration process</td>
<td>o Develop a more fair tax system and charge rates according to business size, age and/or turnover</td>
</tr>
<tr>
<td>o Reduce the costs of obtaining a small business trading license</td>
<td>o Reduce tax rates for small businesses and tax rebates to female growth oriented small businesses</td>
</tr>
<tr>
<td>o Consider exempting female entrepreneurs from having a trading license depending on the business size</td>
<td>o Offer tax advice for small businesses especially female entrepreneurs</td>
</tr>
<tr>
<td><strong>Business taxation strategies</strong></td>
<td>o Provide small business entrepreneurs with simple guidelines on the taxation process</td>
</tr>
<tr>
<td>o Dependent on the business size.</td>
<td>o Inform small business entrepreneurs of the benefits of tax registration</td>
</tr>
<tr>
<td><strong>Access to finance strategies</strong></td>
<td>Government must:</td>
</tr>
<tr>
<td>o Increase the number of financial institutions</td>
<td>o Increase funding opportunities in the Women Enterprise Fund</td>
</tr>
<tr>
<td>o Increase funding opportunities in the Women Enterprise Fund</td>
<td>o Encourage a savings culture</td>
</tr>
<tr>
<td><strong>Private financial institutions must:</strong></td>
<td>Private financial institutions must:</td>
</tr>
<tr>
<td>o Create linkages with other stakeholders such as international partners to create more funding opportunities</td>
<td>o Provide a credit guarantee facility to support growth oriented female small business entrepreneurs</td>
</tr>
<tr>
<td>o Provide a credit guarantee facility to support growth oriented female small business entrepreneurs</td>
<td>o Be open to offer financial support to female entrepreneurs without spouses signatures as long as meeting the application requirements</td>
</tr>
<tr>
<td>o Be open to offer financial support to female entrepreneurs without spouses signatures as long as meeting the application requirements</td>
<td>o Offer flexible and more affordable repayment options</td>
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<tr>
<td>o Offer flexible and more affordable repayment options</td>
<td><strong>Public financial institutions must</strong> obtain more buy-in from government for increased financial assistance for small business growth</td>
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<td></td>
<td><strong>All small business funding support institutions must:</strong></td>
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<tr>
<td>o Offer a financial loan support for female small business growth</td>
<td>o Offer a financial loan support for female small business growth</td>
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<tr>
<td>o Assist female entrepreneurs in funding proposal writing</td>
<td>o Assist female entrepreneurs in sourcing funding for projects</td>
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<tr>
<td>o Provide female small business owners financial guidance on how to spend and save money</td>
<td>o Provide advice on non-banking financial support alternatives to female small business entrepreneurs</td>
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<tr>
<td>o Encourage female small business entrepreneurs to have separate personal and business bank accounts</td>
<td>o Provide female small business owners financial guidance on how to spend and save money</td>
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<td></td>
<td><strong>Female small business entrepreneurs must:</strong></td>
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<td></td>
<td>o Consider using non-traditional informal sources that do not require surety</td>
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<tr>
<td></td>
<td>o Seek further financial assistance from SACCOs to buy stock from suppliers</td>
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<tr>
<td></td>
<td>o Show commitment to loan repayments</td>
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<tr>
<td><strong>Infrastructure strategies</strong></td>
<td>Government must:</td>
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<tr>
<td>o Tar rural roads</td>
<td>o Tar rural roads</td>
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<tr>
<td>o Prioritise rural electrification</td>
<td>o Prioritise rural electrification</td>
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<td>o Improve telecommunications</td>
<td>o Improve telecommunications</td>
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<td>o Provide free parking space for customers</td>
<td>o Provide free parking space for customers</td>
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<tr>
<td>Main theme</td>
<td>Subthemes</td>
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<td>--------------------------------</td>
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<tr>
<td>Family-related issues</td>
<td>• Female small business entrepreneurs must:</td>
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<tr>
<td></td>
<td>o Attempt to balance work-family life</td>
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<td></td>
<td>o Consult a lawyer prior to signing contracts involving spouses’ demands</td>
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<td></td>
<td>• Spouses of female small business entrepreneurs must:</td>
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<td></td>
<td>o Share the sibling, financial, and family responsibilities</td>
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<td></td>
<td>o Work as business partners</td>
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<td></td>
<td>• Family members of female small business entrepreneurs must:</td>
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<td></td>
<td>o Pay for services rendered</td>
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<td></td>
<td>o Participate in business training if employed in business</td>
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<td></td>
<td>o Business associations must advise female entrepreneurs on non-business</td>
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<td></td>
<td>issues like family support, health and housing</td>
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<td></td>
<td>o Children of female entrepreneurs must show their gratitude by offering</td>
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<td>financial assistance when able to</td>
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<tr>
<td>Cultural taboo strategies</td>
<td>• Cultural, family and community heads must:</td>
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<td></td>
<td>o Conduct discussions over roles of female entrepreneurs in society</td>
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<td></td>
<td>o Engage cultural and opinion leaders to advocate for female business</td>
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<td></td>
<td>rights</td>
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</tbody>
</table>

Source: Own construction

As depicted in Table 8.5, many small business support strategies are government-related to developing SMME goals, policies and plans; consulting females about SMME policy development and disseminating growth opportunities to female entrepreneurs. Export promotion institutions should put female small business owners in touch with export partners. Small business support institutions should encourage females to grow their businesses by obtaining assets and increasing their customer base. Business advice and mentoring on small business growth issues are also required.

Female small business entrepreneurs proposed that business skills development training cover a wide range of topics, but also be female needs-driven to ensure business growth. Greater awareness of the training opportunities should be provided and the programmes should differ in length to not interfere too much with the business operating hours. Reduced rates for business skills development training programmes should be considered for female small business entrepreneurs.
Government should provide female small business entrepreneurs assistance with the registration and trading license requirements and provide them assistance with the initial completion thereof, while explaining the benefits. A cost reduction for female small business entrepreneurs should be considered and smaller size businesses be exempted until a specific growth point.

The taxation system should be revised by government to support small businesses and specifically female-owned small businesses. Female small business entrepreneurs should be provided with taxation advice on the process and benefits of being registered.

Government should support public financial institutions more to ensure small business growth support and increase the number of institutions providing support, especially for female-owned small businesses. Private financial institutions should offer greater support to small business entrepreneurs while their criterion for spousal surety being done away with for female small business entrepreneurs and their repayment schedule made affordable. All funding support small business institutions should provide female small business entrepreneurs with business growth support funding advice on how to spend money wisely and save more, sourcing project funding, proposal writing for funding and encourage them to have separate business bank accounts. Female entrepreneurs proposed the use of non-formal sources, credit guarantee, grants and utilizing SACCO to buy stock to further fund access for small business growth.

Government should prioritise rural electrification and road tarring to improve timely stock supplies and provide free parking space in cities for customers. The government should also improve on telecommunications to ease distance communication.

Female entrepreneurs must try and balance work-family life, seek legal advice prior to signing contracts involving spouses’ demands and separate their home and work bank accounts. Spouses of female small business entrepreneurs should assist them by working in their businesses and with family duties. Female small business entrepreneurs should also be made aware that they cannot abuse their family relationship to receive
preferential or free goods/services. Children should be made aware that they should assist with their mother’s business when being an adult. Female entrepreneurial discrimination should be addressed by the community, family and cultural heads and the important role they play in the community should be stressed.

Based on the preceding section, it is clear that the challenges could be classified as female-specific, generic or context driven. As the focus of this study is on female small business entrepreneurs and on overcoming the challenges related to small business growth, it is necessary to further analyse the data to clearly show whether the challenges mentioned are female-related only or not.

8.4 GENERIC VERSUS FEMALE-SPECIFIC SMALL BUSINESS GROWTH CHALLENGES

Based on the preceding empirical results, the constant comparative analysis method was used to provide deeper insight into female small business growth challenges that can be regarded generic for all small businesses and those that are female-specific. A summary in Table 8.4 follows, where after each is briefly discussed. It is acknowledged that most of these challenges (generic or female-specific) are not just experienced when wishing to grow a small business, but also when starting a small business.

<table>
<thead>
<tr>
<th>Female-specific</th>
<th>Context driven (Female/generic)</th>
<th>Generic</th>
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<tbody>
<tr>
<td>Family-related issues</td>
<td>Business support</td>
<td>Legal business operation requirements</td>
</tr>
<tr>
<td>Cultural taboos</td>
<td>Access to funding</td>
<td>Business tax</td>
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<td></td>
<td>Business skills development training</td>
<td>Road infrastructure</td>
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</table>

Source: Own construction

Based on the results of the interviews with the three female small business participants and the small business support specialists in institutions that provide small business assistance, it became clear that:

- some challenges are generic to all businesses;
some challenges are female-orientated, and
some challenges can be classified as either female-specific or generic, based on the context in which it is considered.

A discussion of these small business challenges follows.

8.4.1 Female-specific small business challenges

Female responsibility specific business growth challenges include taking care of children and looking after the extended family. Even in today’s modern society, family care responsibilities remain the responsibility of females, regardless of being employed or owning a business. They are also exploited to care for the extended family and expected to provide family members with preferential goods/services treatment. This was confirmed in literature that females in Uganda are still regarded the primary caregivers, and still do not receive credit for (Ministry of Education and Sports, 2013:9).

Cultural taboo challenges include husband/male dominance in making decisions that could influence the female-owned small business. To obtain loans the husband must sign surety, and it is not easy to obtain property ownership. As confirmed by McDowell, Brown, Kabura, Parker and Alotaiby (2011:76), Ugandan families are involved in multiple embedded practices, communal activities, social support networks and adult male power used as a control tool. The misperception by community elders that female small business entrepreneurs are disrespectful and regard themselves superior to spouses, also contributes towards females in Uganda failing to grow their businesses. As mentioned in a report by Ministry of Finance, Planning and Economic Development (2011:18), due to the Ugandan cultural beliefs, traditions, values and myths that are at times conflict with modern laws the enormous contribution of female entrepreneurship to economic development is not proportionally reflected in either the income gains or ownership control, which leads to low productivity and many dependents.
It seems that female small business entrepreneurs are undervalued, as they are not consulted during the development of SMME policies, although some institutional representatives are consulted. It was further indicated that in Uganda, it is generally acknowledged that females’ share in the ownership and control of productive resources is far less than that of males (Otafiire & Opio, 2009:1), which may point to being undervalued as business women.

8.4.2 Generic small business challenges

Based on the results of the interviews with the three small business participants and the small business support specialists in institutions that provide small business assistance, it became clear that some challenges are generic to all businesses such as the legal business operations requirement that required undergoing a lengthy business registration- and trading license process and the costliness thereof. Another generic challenge for all businesses is paying high business tax and lack of a good rural road infrastructure in Uganda.

8.4.3 Context-driven small business challenges

*Context-driven business growth challenges* include small business support, access to funding and business skills development programmes available. Although all small businesses have business support needs, it seems that the female small business entrepreneurs have specific needs such as access to a network of business associates to share best practices and where they can go for business assistance. Unfortunately female entrepreneurs view their small businesses as a cooperative network of family and community relationships rather than as a distinct profit-generating entity (Munshi et al., 2011:157). Goby and Erogul (2011:333) underpinned the importance of networks for females within different societies practicing gender segregation where the establishment of culturally appropriate networking systems enhances female entrepreneurship success.

Access to funding has been acknowledged as a challenge for all businesses. However, as females do not have assets, it limits their access to funding as they need somebody
to sign surety for loans. Fernandes (2017) confirmed that although there is a growth in female entrepreneurship, they often have limited access to funding.

The challenge of lack of access to business skills training is widely documented. It seems that females have specific business skills training needs and do not receive notifications about business skills development training opportunities. It may be not communicated to all businesses or may be the Ugandan culture’s disregard for females as business owners, whereby they are purposely not notified to discourage further business growth. It was suggested in literature that female business owners must take greater responsibility for their own learning to improve entrepreneurial education, competency and literacy (Garwe & Fatoki, 2012:458).

Due to the females’ parental responsibilities, they may not have been exposed to much basic business knowledge and consequently need training in these areas. These include business plan development, financial management, recordkeeping, compliance to business regulations, procurement, how to grow a small business and use of information technologies for small businesses. It was mentioned that the Ugandan government should give priority to providing business services through consultants to improve entrepreneurship skills and training (National Small Business Survey of Uganda, 2015:36). Mugabi (2014:29) confirmed that females in Uganda require more training in business skills and financial literacy because of their lower level of education and work experience.

In addition to distinguishing between generic or female-related challenges, it was also clear based on the similarities and differences between the responses of the female small business entrepreneurs and those of the small business support specialists that some challenges were perceived while others were challenges. Most extant literature merely provided the views of one set of participants, without establishing whether these views are reality or based on perception. This to make a further contribution with the study, a deeper analysis of the empirical results using the constant comparative analysis methods were conducted to establish which challenges are real and which are perceived. The
small business specialists further provided information regarding which of the challenges are ongoing and which challenges have been addressed fully, or to some extent. This discussion makes it easier to determine which additional strategies could be implemented in Uganda to assist with the growth of female-owned small businesses.

8.5 PERCEIVED VERSUS REAL CHALLENGES
Based on the constant comparative analysis method, the results of the interviews of the three small business participants and the small business support specialists that provide small business assistance revealed that some challenges are perceived by the female small business owners, while some are ongoing real challenges. It is acknowledged that most of these challenges (real or perceived) may not just be experienced when wishing to grow a small business, but may also influence entrepreneurs contemplating to start a small business. However, in this study it was explored within the business growth context.

8.5.1 Small business support
Although female small business entrepreneurs perceived they do not have access to small business support opportunities to grow their small businesses, many small business support specialists confirmed there are many small business support opportunities available and that many are specifically targeting specifically female small business entrepreneurs. There is a Women Entrepreneurship programme, Uganda Women Entrepreneurs Association (Kawamara-Mishambi, 2010:1), Women Entrepreneurs Network Association (Stevenson & St-Onge, 2005:53) and mentoring programmes (Mugabi, 2014:45) that provide female entrepreneurs with small business support.

The government has also made provision for small business support for female entrepreneurs in the National Development Plan II. The perceptions of female entrepreneurs include males receiving more support and that government is not interested in supporting small businesses. It was confirmed that in Uganda, it is generally acknowledged that females’ control of productive resources is far less than that of males (Otafiire & Opio, 2009:1). Small business support specialists are of the view that there is
the perception amongst female small business entrepreneurs that government only supports foreigners. No literature could be found to support this perception. The small business specialist participants, however, acknowledged though that there is not adequate small business support available, regardless if being a male or female-owned business. Another challenge mentioned by small business support specialists is that funding to provide small business support is often a real problem. Fernandes (2017) confirmed that female entrepreneurs often have limited access to funding.

The lack of awareness of the female small business entrepreneurs regarding the small business support opportunities available may be the reason why they argue they do not have access to opportunities. Awareness of business support in Uganda takes place through sensitising communities using print, audio and visual media (National Small Business Survey of Uganda, 2015:36). Lack of awareness may be due to small business entrepreneurs not being computer literate as notices of support business opportunities are placed on the website of the government institutions, or that they do not listen to the radio to hear announcements made. Non-members of the business association may not receive information regarding assistance available.

There is the sentiment that small business support specialists should approach female small business entrepreneurs and not that they should consult with government where to go for small business support. The small business support specialists further confirmed that this may be a real challenge as government only consults with representatives of women’s groups when formulating SMME policies and, therefore, do not obtain an across the board view of all female small business entrepreneurs. It was confirmed by Nshaho (2011:100) that the majority (more than 76%) of entrepreneurs in Uganda reported lack of proper involvement and consultations by government agencies in key decisions. Namatovu et al. (2012:33) further asserted that direct government support to female entrepreneurs in Uganda is insignificant at local levels, which hinders them from growing their businesses.
There is the perception by female small business entrepreneurs that the government officials cannot be trusted and that they would rather that government provide them with support via trusted individuals such as the church chairperson. This perception may have been fueled due to the weak unethical corruption culture entrenched in various layers of the society in the business climate as confirmed by several authors (Mugarura, 2010:276; Ntayi et al., 2011:56; Ntayi, 2012:127). The female entrepreneurs also perceived government as not interested in assisting them as they believe government officials should visit their businesses to “see” their business growth challenges. It also seems that the small business entrepreneurs perceived the role of the university as to provide them with free business advice.

### 8.5.2 Business skills development training programmes

The female small business entrepreneurs perceived that there are no training opportunities and programmes to attend that can assist them in growing their small businesses, although there are several entrepreneurship oriented business skills development training programmes available in Uganda offered by government, non-governmental organisations and the private sector as confirmed by the small business specialists. This points to lack of awareness by female small business entrepreneurs about the existence of the programmes. The government small business support specialists acknowledged though that the existing programmes do not address all the needs of female entrepreneurs and are inconsistent in entrepreneurial service training delivery across the board.

### 8.5.3 Legal business operations requirements

The perception of female small business entrepreneurs about inadequate information on business registration requirements, the lengthy and cumbersome process thereof, as well of obtaining a trading license and the cost associated with it, were confirmed by a government official as a real small business growth challenge. This may be the reason why there are not many registered small businesses in Uganda. Literature confirmed that
because business registration is not strictly enforced in Uganda (Mayoka & Balunywa, 2012:118).

There is also the perception by the female small business entrepreneurs that government should inform them about the process in detail and assist them in the completion thereof. Government seems to regard the information about it as adequate and that it is not their duty to assist with the completion of the documentation. However, literature confirmed that most small businesses in Uganda are not yet registered due to obstacles such as high fees, long processes, and lack of knowledge regarding the registration process and how to go about it (Mayoka & Balunywa, 2012:118). The information gap could also be attributed to the small business entrepreneurs’ failure to follow public announcements in the media and that specifically females deliberately do not want to search for information regarding business registration and training licenses as mentioned by a government official.

8.5.4 Business taxation
A government official confirmed that the current business tax system in Uganda actually discourages small businesses growth, as tax rates are high. The female small business entrepreneurs also perceived the tax system applied an unfair assessment system which may be due to lack of understanding the system or that it has not been properly explained to them. Previous research has proved that taxation systems have failed to adequately support female entrepreneurs (Ali, Fjedstad & Sjursen, 2014:832; National Small Business Survey Uganda 2015:36; Nshaho, 2011:74; Sebikari, 2014:18). It was further indicated that in addition to taxes being too high, small businesses have difficulty in completing tax returns and see no benefit in paying it as it reduces their capital base.

8.5.5 Access to finance
Access to finance has been confirmed by small business entrepreneurs and small business specialists as a real challenge for female entrepreneurs’ business growth. They do, however, have diverse views on what limits the access to funding. The female small
business entrepreneurs believe that corrupt top government officials divert the available funds to small businesses, while also facing the prejudice of being regarded as extravagant, thereby further limiting their access to funds. Ntayi (2012:127) confirmed that Uganda’s prevailing business environment is characterised by a weak unethical corruption culture. As expected the small business financial support specialists did not mention corruption or prejudice as limiting female entrepreneurs’ access to funding, but rather that there is not adequate funds available to support small businesses, not just female small businesses.

The financial institutions small business support specialists contribute a lack of access to funding for female small business entrepreneurs to a lack of financially literacy, having informal businesses, no business bank account, no assets to provide as security for loans, poor recordkeeping skills and high bank interest rates and repayment schedules, which influence access to funding for business growth. It seems that female small business entrepreneurs realise they have financial literacy skills problems that could pose a risk of business closure, if unable to pay the money back. The female small business entrepreneurs acknowledged that they lack security to obtain loans and battle with repayment schedules and high interest rates levied on loans. As was noted in literature, the moderate business acumen, absence of business records and bank accounts make small businesses not qualify for loans and their income are below the threshold and thus not supported by formal financial institutions (Bitature, 2008:5). It was further mentioned that the financial sector in Uganda is mainly shallow, narrow and inefficient in terms of the financial products it offers.

8.5.6 Infrastructure
Real infrastructure challenges that can influence the growth of small business entrepreneurs were confirmed as the national road infrastructure is rated as poor, with the conditions of rural roads during the rainy season influencing stock delivery. It was indicated in literature that Uganda has an inadequate physical infrastructure (Museveni, 2015b:3), especially roads and utilities (Kasaija, 2014:49). Private Sector Foundation
Uganda (2012:19) confirmed that the transport sector challenges make SMMEs less competitive due to the slow implementation of the major feeder roads linking the production sectors to markets.

Although not mentioned by the small business support specialists, the limited customer parking space and then even having to pay for it, influences customer access to small businesses. It was mentioned in literature that the national road network is rated poorly in terms of addressing the marketing needs of businesses across Uganda (Ministry of Finance, Planning and Economic Development, 2011:14). Private Sector Foundation Uganda (2012:19) confirmed, an escalation of traffic of commercial and personal vehicles into the central business district of Kampala, which is where the survey took place.

The small business support specialists also confirmed limited electricity and water infrastructure as real small business growth challenges, although not mentioned by the female small business entrepreneurs. Literature confirms that the capacity of electric power supply in Uganda presents severe constraints to small business operations (Ministry of Finance, Planning and Economic Development, 2011:14). Nshaho (2011:17) confirmed that water supply and telecommunication are not adequate in Uganda.

### 8.5.7 Family-related issues

Real female small business growth challenges that are family-related include their relatives expecting them to offer free or discounted products or services or receive preferential treatment above those of paying customers as they are family, or if employing family, they are not that committed to the business. Another real challenge is that the female small business entrepreneurs battle to balance work-family life due to long business hours without having adequate family support at home. They are also expected to care for the extended family which is an additional financial burden while the extended family reaps the benefits of being financially cared for. It was acknowledged by Otafiire and Opio (2009:6) that female entrepreneurs often find it difficult to find time to attend training in the midst of family commitments. Managing business and family becomes more
difficult where females are expected to take care alone of the extended family (Rehman & Roomi, 2012:210).

When wishing to grow their small businesses female entrepreneurs in Uganda also have to contend with their spouses having to co-sign for the business loan and then often claiming some of the business development funding for their personal use without contributing towards the repayment of the loan. If the female entrepreneurs refuse their spouses any access to the funding it is regarded as disrespectful, causing strain in the family and can lead to divorce. Literature confirmed that a major growth challenges which female owned SMEs confront are property right restrictions for females (Aterido, Beck & Iacovone, 2013:103). Furthermore, married females’ inability to gain control due to gender inequality views and cultural attitudes and beliefs of females in general, create barriers to small business growth (Ellis et al., 2006:21).

However, it was confirmed by a small business support specialist, though not acknowledged by the female small business entrepreneurs, that some family-related challenges are self-induced, because they are disorganised and unable to separate their business finances from family finances. A study in Uganda, revealed that poor management of a business by family members, conflict of interest between manager and family, and failure to meet family needs are major problems experienced in business (Mayoka & Balunywa, 2013:125).

### 8.5.8 Cultural taboos

A real challenge confirmed by both a female small business entrepreneur and a business association participant was that due to a spouse’s religion, there may be a restriction on the sale of certain products. This limits customer sales variety offerings and can impede the growth of the small business, as it may lead to customers’ defection to other businesses. A revision of the Ugandan alcohol law was suggested as about 80 per cent of Ugandans take alcohol including those that belong to religious faiths that condemn it and could acquire it in an illegal manner (Agiresaasi, 2016:1).
In addition, a real challenge is also that in the Ugandan culture there is the perception that males as the dominant figurehead in the family should be the only financial provider and that female entrepreneurs are not of much value to society, except as child bearers and caring for the family. This limits females in attempting to grow their small businesses as confirmed by the financial small business support specialists as it restricts females from owning property and hence cannot provide security for development finance. It was noted in literature that spousal consent in Uganda is a legal requirement on all matters relating to land from which the family derives sustenance (Bbumba, 2007:5).

A further real challenge is that male spouses can be deceitful by donating assets to their children and not to their wife, thereby further limiting her chance of growing her business. For example, Uganda’s communities have a patrilineal system in where a child’s belongingness is determined through the male lineage and land was bequeathed to male children despite the fact that females are instrumental in land cultivation and crop production (Mwesigye, Matsumato & Otsuka, 2017:3).

In spite of all the challenges experienced by small business entrepreneurs, and in particular by female small business entrepreneurs, some are successful in growing their businesses. This is how it seems when considering the biographical profile of the three female small business participants. However, it must be noted that although these small businesses have grown, they are still classified as very small business. The fact that it was so difficult to find suitable participants for this study shows that not many female small businesses ever experienced business growth (a criterion for inclusion in the study).

The purpose of the study was to determine strategies to assist in overcoming small business growth challenges of female small business entrepreneurs, given the small number of registered formal female-owned small businesses in Uganda. Although some of these female small business entrepreneurs received financial assistance from their families for business start-up and growth, they do not have adequate funding available to assist in growing these businesses to a medium-size business. It is merely to grow their
small business in terms of being able to afford a few employees. So funding remains a real small business growth challenge in Uganda, especially considering the additional problem of husband that have to consign loan agreements.

As there are limited studies conducted in Uganda on how to overcome small business growth challenges, it was clear from the responses of the small business support specialists that what they think is necessary to assist females with small business growth may not be necessarily be the real needs of the female small business entrepreneurs. Although some strategies were implemented in Uganda to assist small business entrepreneurs, the success of these strategies were not measured (there is no theoretical proof to this effect). In the increasing turbulent business environment, there is a need to adapt strategies, or else business sustainability is at stake. It seems that the participating female small business entrepreneurs in this study were resilient and have in spite of the many challenges experienced, made a concerted effort to growth their small businesses. To assist female small business entrepreneurs in growing their businesses will most of all require social innovation, by changing the perceptions society held on the status of female entrepreneurs in society, as acknowledged in this study.

8.6 SUMMARY
The main objective of this chapter was to present and discuss the findings of the participants’ interviews regarding challenges and small business growth strategies. The current business status was indicated in terms of whether the small businesses have a written business plan and the indicators of growth since establishment. Growth aspirations were explored in terms of a vision for the business and future goals. It was clear when analysing results that small businesses differ in their current business status and had different growth aspirations. This can to a large extent be contributed to the sector they operate in or the entrepreneurial activities they were engaged in.

The results of the qualitative interviews on the challenges and strategies to small business growth as perceived by participants in Uganda were also elaborated on. A content
analysis identified eight main themes namely, small business support, business skills development training, legal business operation requirements business taxation, access to finance, infrastructure, family-related issues and cultural taboos that were discussed. Based on the results in content analysis and constant comparative analysis of the small business growth challenges revealed which can be regarded as female-specific, generic or could be either female-specific or generic. Further still, a constant comparative analysis of the small business growth challenges revealed that some challenges are perceived by the female participants while others can be regarded as real challenges. The participants provided several strategies on how they think they can overcome the challenges. Small business support specialists indicated which strategies have been implemented.

The subsequent chapter will discuss the summary, conclusions and recommendations of the study.
CHAPTER NINE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

9.1 INTRODUCTION
Chapter Eight included an analysis of the empirical results on small business growth aspirations, challenges experienced to grow female-owned small businesses and strategies suggested to overcome the identified challenges. The results included views of both female small business entrepreneurs and small business support specialists. It was clear at the inception of sourcing suitable participants for the study that not many female small business entrepreneurs in Uganda had formal registered businesses with a business license when considering the information received from the Uganda Women Entrepreneurs Association Limited, Uganda Registration Services Bureau and National Small Business Survey Uganda databases. As not being a formal business limited business growth opportunities (Nshaho, 2011:13), they could not be interviewed, as it would not yield the required results to make an academic and practical contribution with this study.

It was also difficult to obtain a suitable sample as no database for small businesses was available that specified whether the registered business is female-owned or the specific size of the business. Furthermore, as the qualifying criterion was that the female small business entrepreneur must have a vision to grow the small business, many at the inception of the study chosen to participate in the survey, had to be eliminated as possible participants due to having no small business growth aspirations. In addition, as not adequate information was forthcoming from the three small business entrepreneurs due to lack of awareness or knowledge, small business support specialists were interviewed to confirm whether it was indeed challenges to female small business growth or merely perceived to be small business challenges. These small business support specialists could also confirm those strategies in place in Uganda to promote small business growth and indicate possible areas of improvement.
The content analysis identified eight main themes of small business challenges, namely, small business support, business skills development training, legal business operation requirements, business taxation, access to finance, infrastructure, family-related issues and cultural taboos. The discussion of the suggested best practice strategies was according to these eight identified small business growth challenges in Uganda.

Despite the increasingly important role of small businesses to economic development and poverty alleviation, the sustainability of female-owned businesses in Uganda remains a major concern. While research in the area of small business growth has increased since 2011 (Mbonyane & Ladzani, 2011:552; Gill & Biger, 2012:656; Mitchelmore & Rowley, 2013:138; Omri, Frikha, & Bouraoui, 2015:1074), limited research has been conducted on best practice strategies (Chu, Kara, Zhu & Gok, 2011:88; Davis, 2012:21; Halkias et al., 2011:224; Braidford et al., 2013:153; Legoux & Danilo, 2013:1601; Marconatto, Cruz, Ministry of Labour and Small and Micro Enterprise Development, 2013:47; Le & Raven, 2015:57) that can stimulate small business growth of female entrepreneurs. As none of these studies were conducted in Uganda, it shows a research gap exists in this research area.

Chapter Nine starts with a summary of the study, followed by conclusions and recommendations on small business growth aspirations and the eight best practice strategies to overcome small business growth challenges of female entrepreneurs. The recommendations were further strengthened by considering the best practice strategies of leading global best practice countries, both selected leading developed countries with innovation-driven economies and developing countries with efficiency-driven economies and factor-driven economies. It is acknowledged that some of these challenges and strategies are not gender specific, but could apply to all small businesses. However, an indication was made of which findings are specific to female small business entrepreneurs only. The contributions of this study to the field of female entrepreneurship and best strategies to overcome small business growth challenges are highlighted, after which the researcher presented insights into the self-reflection and learning from knowledge gained
by conducting the study. The limitations of the research are discussed and recommendations for future research are made, followed by the final conclusion of the study.

9.2 SUMMARY OF THE STUDY

This study is comprised of the following nine chapters. The study commenced with Chapter One in which an introduction to the study was provided, the problem statement along with the research objectives and questions outlined. The primary objective of the study was to identify strategies for overcoming small business growth challenges of female entrepreneurs in Uganda. The key concepts used in the study were explained. A brief methodology was provided on the qualitative research method chosen, and thereafter the structure of the remaining chapters in the study was given.

In Chapter Two the research design process was discussed and the methodologies used in this study explained. It was clearly justified why the phenomenological paradigm was chosen for this study on female small business growth challenges and strategies to overcome it. The fact that small business growth challenges were investigated in this qualitative study resulted in the adoption of an exploratory descriptive case study research design approach. A sample of three female small business entrepreneurs and nine small business support specialists were interviewed using two semi-structured interview schedules. The sample of the study was selected using purposive, theoretical, and expert non-probability sampling methods. Secondary data was collected through comprehensive international and national literature. Data analysis involved content analysis by allocating codes to themes identified; further still data was subjected to a constant comparative analysis within the grounded theory principles. Trustworthiness of the study was ensured through credibility, transferability, dependability and conformity criteria. The interview schedules were approved by the NMMU for ethical clearance, and it was ensured that participants participated voluntarily and anonymously.
The literature review was discussed in Chapters Three, Four, Five and Six. The literature review in these chapters extracted theory and concepts and aided the researcher in obtaining a broad overview of the existing knowledge on the topic of the study and in preparing the interview schedule, to canvass fitting information on small business growth challenges and strategies to overcome these challenges, if no information was forthcoming.

The literature review in Chapter Three focused on female entrepreneurship. The chapter commenced with a discussion on the evolvement of female entrepreneurship. In Uganda, over 52.6 per cent of females own a business contributing to economic development, employment, income generation, and poverty reduction, despite the challenging circumstances. Among female entrepreneurial characteristics it was noted that most female entrepreneurs are married, operate business before the age of 40 years with low education levels and minimal business experience. Most have young informal businesses which may be problematic if wishing to obtain capital needed for business growth. Discussions of both pull (positive) and push (negative) factors that motivate female entrepreneurial business participation globally were elaborated on. It was indicated that Uganda's poor quality of education and training influenced the negative attitudes towards entrepreneurship, as inappropriate training programmes are offered utilising theoretical approaches. Limited owner experience and knowledge also hinders decision-making on how to grow their small businesses in Uganda. The existence of industry gender biases have enabled females to operate mainly in the service sector as it enables flexibility to also cater for the families as they grow their businesses. Lastly, the use of informal and formal networks by female entrepreneurs avails them with information and resources that facilitate the growth of their small businesses.

Chapter Four provided background to the Ugandan business environment. The SMME business environment in Uganda was characterised by low registration figures for small businesses which may be attributed to the fact that businesses can only register and obtain a trading license in Kampala. A general discussion on the Ugandan business
environment was provided in terms of a PESTE (political/legal-, economic-, socio demographic-, technological-, and ecological) environment analysis. The political-legal environment in Uganda is characterised with relatively stable multi-party politics, political complexity, legal pluralism with core legal and administrative institutions and a decentralised system of governance that enables entrepreneurs to obtain services from the respective government agencies. Uganda experiences stable economic growth, reduced inflation, a stable exchange rate, and unfavourable export and import trade activities which influences the growth of small businesses. In addition, Uganda’s social-demographic environment entails a high youthful population growth rate, rich, diverse and complex cultural practices, poor education and health systems that could affect entrepreneurs wishing to grow their businesses. Also, the technological environment in Uganda is still developing and faced with implementation challenges such as high costs, slow adoption readiness and limited ICT skills among the private sector, which can influence the growth rate of small businesses. Lastly, the ecological environment in Uganda involves the contribution of entrepreneurs in protecting the land and atmospheric, water- and energy resources, as well as their rich biodiversity, as they pursue business growth.

Chapter Five in particular, delved into the challenges relating to small business growth in Uganda. Several challenges influencing small business growth were identified and could be clustered into three main groups, namely: entrepreneurial orientation challenges; business environment constraints; and access to business networks. The most critical entrepreneurial orientation challenges identified were the lack of entrepreneurial personality of owners of age group 18 to 35 years who were exposed to poor quality education and training and with limited business experience and knowledge that stifles small business growth. Also, business environment constraints comprise of lack of strategic planning; unethical business conduct; limited access to finance; increased competition; limited market size, access and proximity; limited employment opportunities; and infrastructure development constraints suffocate the attainment of business goals and sustainable growth. Finally, limited access to business networks is a barrier to small
business entrepreneurs if they do not actively participate and cannot access information, as well as vast resourceful opportunities to be able to grow their businesses. The existence of these challenges stifles the attainment of business goals and sustainable growth.

As Uganda has many small businesses, of which not many seem to have the potential to grow, it was deemed necessary to explore global best practices for stimulating small business growth. Chapter Six distinguished between what is regarded a developed and a developing country to put into context the economic growth status of these group of countries which may contribute to the possibility of small business growth opportunities within a country. Secondly, favourable global SME conditions for small business growth were discussed and an overview of global entrepreneurial activities within developed and developing countries were provided. The chapter further discussed global best practices within the selected countries in greater detail. The study considered five sets of best practice strategies namely: the existence of SME policies and support programmes; access to finance; market openness, infrastructure development and cultural and social values. Best practice strategies to overcome the small business growth challenges of the selected leading *developed* countries with the innovation-driven economies of Trinidad and Tobaga and Canada and *developing* countries with the efficiency-driven economies of Brazil and China and the factor-driven economies of Ghana, Nigeria and Vietnam, were discussed in greater detail.

Chapter Seven presented a background to the participants (three female small businesses entrepreneurs and nine small business support specialists) as case studies. Each small business participant case commences with a brief description of the biographical profile of the participant interviewed, in respect of their age, education qualification, marital status, number of dependents, age range from youngest to oldest child dependent, and home language spoken. This was followed by a description of the small businesses in terms of where the small business is situated, how long it was in existence, type of ownership and business assets owned.
Based on the specific challenges identified from the female small business participants' interviews, specific small business support specialists were interviewed to shed light on whether the challenges really exist or are merely perceived by the female small business entrepreneurs. Chapter Seven thus also presented a background to the selected small business support specialists employed in small business support institutions in Uganda as case studies. The institutional profile provided information on the small business support institutions in terms of number of branches, nature of ownership, year established, number of employees and nature of organogram. Lastly, a summary of the biographical profiles of the small business support specialists employed in these selected institutions were presented in terms of gender, age, highest education qualification, number of years of working experience, current job title, period in position and current unit/department were presented. This chapter confirms the suitability of the sample surveyed and put into context the type of businesses the female small business entrepreneurs were involved in, as well as the experience of the small business support institutions specialists and an indication of the extent of sustainability of these institutions in terms of time in existence.

In Chapter Eight, the empirical results of the interviews on small business growth aspirations were firstly presented to show that participating female small business entrepreneurs had intentions of growing their small businesses. Further still, the empirical results regarding the small business growth challenges and strategies to overcome small business growth challenges as perceived by the participants in Uganda, were elaborated on. The content analysis of the small business growth challenges identified eight main themes namely, small business support, business skills development training, legal business operation requirements, business taxation, access to finance, infrastructure, family-related issues and cultural taboos. The discussion of the small business growth challenges and strategies to overcome these challenges was presented within these eight identified themes. Based on the comparative analysis of the small business growth challenges indicated by the female small business entrepreneurs and small business support specialists, it was established that small business growth challenges can be
female-specific, generic or based on context in which it is considered. Further still, a comparative analysis of the small business growth challenges identified by the female small business entrepreneurs and the small business support specialists, revealed that female small business entrepreneurs perceived some challenges while some are indeed real challenges. All the participants provided several strategies on how they think the small business growth challenges can be overcome, but only the small business support specialists indicated which strategies are already in place and which could still be developed.

In the following section a discussion on how the objectives of the study were met and presented in a table.

9.3 HOW THE OBJECTIVES OF THE STUDY WERE MET
The primary objective of this study was to identify the strategies for overcoming small business growth challenges of female entrepreneurs in Uganda. This objective was achieved in the empirical findings of the small business challenges and strategies to overcome these challenges, indicated by the 12 participants in the study and the literature review on global best practices. To stimulate the growth of female-owned small business in Uganda, it was found that small business entrepreneurs must receive small business growth support that meet small business needs, business skills development training, on how to meet legal business operation requirements, on business taxation and how to go about obtaining finance. The infrastructure of the country must also be conducive to small business growth. Female entrepreneurs need support regarding family-related issues and defeating cultural taboos. In order to achieve the primary objective, several secondary objectives were identified. Tables 9.1 presented an overview of how the methodological objectives of the study were met.
Table 9.1: How the methodological objectives in this study were met

<table>
<thead>
<tr>
<th>Secondary objective</th>
<th>How objective was met</th>
</tr>
</thead>
<tbody>
<tr>
<td>To present an overview on female entrepreneurship</td>
<td>This objective has been achieved in Chapter Three with a review of literature on female entrepreneurship. The evolution of female entrepreneurship was discussed based on three main approaches of liberal-, social- and poststructuralism, which focused on the female entrepreneur and highlighted her enduring and self-reinforcing ability that enabled her to grow an entrepreneurial business. Also, the background to female entrepreneurship in Uganda indicated that most initiatives have not reached out effectively to all female-owned small businesses.</td>
</tr>
<tr>
<td>To conduct a thorough literature review on the Ugandan business environment</td>
<td>This objective has been achieved in Chapter Four with focus on the Ugandan business environment. The SMME business environment in Uganda was discussed with a focus on SMME classification; trend and spread countywide, sectorial entrepreneurial activities, and business formality. Also, the general Ugandan business environment in terms of the political/legal-, economic-, socio demographic-, technological-, and ecological factors were discussed in great detail.</td>
</tr>
<tr>
<td>To conduct a thorough literature review on small business growth challenges in Uganda</td>
<td>In Chapter Five small business growth challenges in Uganda were discussed. The discussion commenced with entrepreneurial orientation challenges; business environment constraints; and lack of access to business networks as possible factors influencing the growth of small business. The entrepreneurial orientation challenges included the non-entrepreneurial personality of the owner which influences business operations. In addition, the business environment constraints were discussed in great detail. The failure to network by small businesses has been indicated as also limiting their growth aspects.</td>
</tr>
<tr>
<td>To provide an overview of the global best practice strategies that stimulate small business growth in developed-innovation-driven countries, as well as developing-efficiency and factor-driven countries</td>
<td>This objective was achieved in Chapter Six where the discussion on global best practice strategies for stimulating small business growth in developed and developing countries was provided. Favourable SMME conditions for business growth were identified and an overview of global entrepreneurial activities within developed and developing countries were highlighted. Best practice strategies to overcome the small business growth challenges of the selected leading developed countries with the innovation-driven economies, developing countries with the efficiency-driven economies and the factor-driven economies, were discussed in greater detail. The study considered five sets of best practice strategies namely: the existence of SMME policies and support programmes; access to finance; market openness, infrastructure development and cultural and social values. Lastly, a summary of the best practice strategies to overcome small business growth challenges as evident in the selected developed and developing countries were presented.</td>
</tr>
<tr>
<td>To identify and implement an appropriate research methodology for this study in order to assist in the achievement of the primary objective</td>
<td>This objective has been achieved in Chapter Two where the phenomenological paradigm using a qualitative research design was identified as most appropriate for this study. An exploratory descriptive case study research design approach was adopted.</td>
</tr>
</tbody>
</table>

Source: Own construction

Tables 9.2 presented an overview of how the study objectives were met.
Table 9.2: How the study objectives were met

<table>
<thead>
<tr>
<th>Secondary objective</th>
<th>How objective was met</th>
</tr>
</thead>
<tbody>
<tr>
<td>To identify and profile growth oriented selected female small business entrepreneurs and small business support specialists in the Kampala Region in Uganda to participate in the study</td>
<td>This objective was achieved in Chapter Two were it was indicated how the three female small business entrepreneurs were selected for participation. Based on the challenges these female small business entrepreneurs experienced, specific small business support specialists were targeted for participation. Chapter Seven presented the results of the biographical profile of the three selected Ugandan small business entrepreneurs and their small businesses (a hairdressing salon, restaurant and supermarket) were presented as case studies. The biographical profiles of the nine selected small business support specialists and the institutions they are employed in were also presented as case studies. Two government officials involved in small business support, two financial officials, two training provider officials, one export promotion official and two business associations representatives comprised the sample of small business support specialists as it seemed that they were well-informed to share information on the strategies necessary to overcome small business growth challenges. Brief overviews on the biographical profiles of the small business support specialists were also presented.</td>
</tr>
<tr>
<td>To empirically investigate what female small business entrepreneurs and small business support specialists regard as perceived and real small business growth challenges and how to overcome them</td>
<td>Chapter Eight presented the empirical results of the three female small business entrepreneurs on the challenges to small business growth and strategies to overcome the challenges identified in the content analysis as perceived by participants in Uganda, were presented. The content analysis identified eight main themes namely, small business support, business skills development training, legal business operation requirements, business taxation, access to finance, infrastructure, family-related issues and cultural taboos. Based on the results of the content analysis on the challenges, strategies to overcome these challenges were presented. Further still, a constant comparative analysis of the small business growth challenges revealed that some challenges are perceived by the female participants, while only some can be regarded as real challenges. The small business support specialist participants provided several strategies that are already in place and provided further suggestions on possible strategies that can still be developed and implemented to overcome the small business challenges.</td>
</tr>
<tr>
<td>To suggest small business growth strategies which can be effectively utilised to stimulate the growth of female small business entrepreneurs in Uganda</td>
<td>This objective has been achieved in Chapter Nine. Suggestions made by female small business entrepreneurs and small business support specialists on how to overcome the small business challenges in Chapter Eight were summarised. It was clearly indicated which strategies have been implemented, are work-in-progress and still to be further considered. These suggestions were further supplemented by selecting the most suitable practical best practices to stimulate female small business growth for a developing country such as Uganda from those identified for developing and developed countries in Chapter Six.</td>
</tr>
</tbody>
</table>

Source: Own construction

In the next section the conclusions and recommendations of the biographical profiles of the three small businesses and nine small business support institutions will be discussed.
9.4 CONCLUSIONS OF AND RECOMMENDATIONS ON THE FEMALE SMALL BUSINESS GROWTH ASPIRATIONS

The participating female small business entrepreneurs have some business ideas in mind, but not as a written business plan. It seems that lack of knowledge on how to write a business plan, and not knowing who to approach for assistance, may be the reasons why these female small business entrepreneurs in Uganda, did not have a written plan. The female small business entrepreneurs have business growth visions to increase the business size by increasing the store size, opening another branch and/or increasing their customer base. The female small business entrepreneurs in this study have set goals aligned with their visions and are aware that turning their visions into reality, will require obtaining funding. Mazzarol, Reboud and Soutar (2009:338) asserted that for entrepreneurs to obtain financial support there is a need to write a business plan detailing out a clear strategic vision.

Based on the above discussion, it is suggested that female small business entrepreneurs should:

- purposefully strive to turn their business growth visions into reality;
- set time aside to think about how they want to go about achieving business growth and purposefully work towards compiling a written business plan to act as a monitoring tool and for accessing funding opportunities;
- search for small business support institutions that can provide them assistance with business plan development, and
- be encouraged to network extensively to become more knowledgeable on the small business support available that can assist them in turning their business growth visions into reality.

In addition, it is suggested that small business support institutions in Uganda should:

- make all small business entrepreneurs aware of the importance of having a written business plan if they wish to grow their small businesses. The need for a written plan if applying for funding should be emphasised;
• offer training to all small business entrepreneurs on how to develop written business plans to guide the small business growth aspirations. These training workshops must be either free of charge or for a small affordable fee as most small business entrepreneurs are cash-strapped. To ensure that the small business entrepreneurs can attend the workshops it may be preferable to offer it in the evenings after business closure to not influence their business operations;

• provide small businesses entrepreneurs with a list of business plan development service providers so that they can select service providers closest to their business site or residence, or that is the most affordable or knowledgeable on their type of small business.

In the next section the conclusions and recommendations of the challenges identified that influence female small business growth and eight best practice strategies identified to stimulate small business growth of female entrepreneurs in Uganda are next discussed.

9.5 CONCLUSIONS OF AND RECOMMENDATIONS ON THE SMALL BUSINESS GROWTH CHALLENGES AND BEST PRACTICE STRATEGIES

The discussion of the conclusions and recommendations are presented by firstly concluding the female small business growth challenges, followed by an indication which strategies have already been implemented or are work-in-progress to overcome the eight identified challenges. Lastly, recommendations on future strategies that can be implemented as identified by the participants, as well as from the desktop study of best practice strategies in Chapter six, will be put forward.

9.5.1 Small business support

It seems that small business support challenges experienced by female small business entrepreneurs in Uganda were no government consultation on SMME policies, limited small business growth support provided and not knowing where to go for business advice. According to Nshaho (2011:100), the majority (more than 76%) of entrepreneurs reported lack of proper involvement and consultations by government agencies in key decisions.
The government small business support specialists acknowledged there is no strategic plan for females and inadequate business support for small business growth in Uganda. Kyambadde (2015:8) noted that gender issues have not been firmly addressed in legal and trade policy formulation in Uganda, hence affecting females and the community at large. Namatovu et al. (2012:33) asserted that direct government support to female entrepreneurs in Uganda is insignificant at local levels, which hinders them from growing their businesses.

From the participants’ empirical results, strategies already implemented to stimulate small business growth in Uganda include: the National Development Plan II and 2015 SMME policy which have embedded goals and plans in place for small business growth for specifically female entrepreneurs, and implemented through dedicated agencies (Ministry of Gender, Labour and Social Development) and specific programmes (Uganda Women Entrepreneurs Programme). Government created awareness of small business support available through the SME divisions, media, publications, promotions and international exhibition days. Uganda Investment Authority and Enterprise Uganda further promote small business growth of female entrepreneurs through public-private partnerships, business counseling and a platform for sharing success stories. Uganda Small Scale and Industries Association and Uganda Women Entrepreneurs Association offer information for business growth opportunities to female entrepreneurs through their networks, assistance with networking and possible export opportunities, with improving product and service standards, obtaining lower prices for products through co-operative buying, and the use of electronic-, printed- and social media to disseminate information about the opportunities. A financial institution provides business advisory services on, among others, due diligence and business planning.

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that the Ugandan government should:
• establish a Small Enterprises Development Agency which obtains input from all government departments to promote, support, coordinate and implement small business growth-oriented activities, plans and programmes;

• conduct a national survey amongst female entrepreneurs on nature and size of their businesses, challenges and possible strategies to guide setting female entrepreneurship policies on small business growth aspects;

• involve more female entrepreneurs in setting and implementation of SMME policies by having a contact session with them through a Business Association for females to obtain their input and establish their business needs;

• provide in the SMME policy targeting of specific groups of the population such as female small business entrepreneurs and/or specific sectors;

• designate regional business information centers and organise quarterly information sharing sessions on business growth opportunities, access to finance, balancing work-family life, business tax and legal issues;

• task the Equal Opportunities Commission Uganda agency to establish a female desk that will hold monthly sessions on eliminating discrimination and inequalities against female entrepreneurs and to further knowledge opportunities for economic development and reduced challenges faced by female-owned businesses;

• develop a green policy for small businesses to guide them on economic greenlining such as electricity and water saving strategies which can provide them with savings and additional business growth opportunities such as recycled products, reduced wastage, and reuse of materials repeatedly;

• increase awareness to female entrepreneurs regarding business support availability using media advertising such as inserting weekly pullouts in newspapers, hosting regular radio and television talk shows, running television series, using short message services or through their church elderlies;

• create an e-trade fair website to act as an intermediate between the consumers and manufacturers, suppliers, and wholesalers in the world;
• strengthen partnerships with the private sector businesses to enhance regulatory frameworks for the benefit of female entrepreneurs such as to enable public-private partnerships to grow the small business and increase access to resources, and
• develop a countrywide mentoring programme to mentor and match female entrepreneurs with suitable mentors with experience within their business sector. The mentoring programme should not just include face-to-face interactions, but may also be online sessions to widen the network of experience mentors to beyond Uganda.

In addition, it is suggested that the export promotion institutions should:
• develop and provide a detailed export business information database that significantly contributes to small business growth through raising export market knowledge.
• diversify the market base and sector product lines, and raise the level of international investment and innovation activities in regional markets through the non-discriminatory partnerships and agreements with female entrepreneurs, domestic and international members of the private sector and community groups;
• develop regional economic integration programmes through building competitive capacity of the entrepreneurs, steering an inclusive dialogue and coordination process to identify and formulate strategic priorities so as to increase the number of female-owned exporting small businesses;
• identify export partners for the female small business entrepreneurs and assist in forming the partnership, and
• put in place incentives to foreign investors and domestic female investors to boost economic growth and development at national and regional levels such as specialised zones where female entrepreneurs can develop products with export potential that are internationally competitive, exportable and meet international requirements.

Furthermore, it is suggested that business associations should:
• host business growth competitions targeted at female-owned small businesses in cooperation with stakeholders such as non-governmental organisations, training institutions, financial institutions, development partners and government offering
support to selected winners in specific sectors and regions to showcase successful female entrepreneurs that can act as role models in the community and even become mentors to female entrepreneurs wishing to grow their small businesses;

- create partnerships and linkages for small business entrepreneur members to inform them of opportunities specifically geared towards the needs of growth-oriented female-owned small businesses;
- support the formation of clusters and associations by developing a policy that addresses their needs, provide leadership but delegate responsibility and ownership among female small business entrepreneurs to build industries that have formed naturally within the locality;
- ensure that government takes action on gender and entrepreneurship issues, and
- serve as a hub of information for accessing both public and private sources on business diversification opportunities to enable female entrepreneurs to make strategic decisions.

9.5.2 Business skills development training

The female small business entrepreneurs appeared not to be aware of available small business training opportunities and the training providers that can assist them in growing their small businesses. Several scholars (Otafiire & Opio, 2009:6; Simpson et al., 2012:270) confirm that female entrepreneurs are not aware of the vast business training opportunities available. Female small business entrepreneurs seem to have specific training needs such as on staff selection, business growth, equipment procurement, customer care, taxation and information technology, in advancing their current technical skills and most importantly in financial skills. The small business support specialists confirmed that current government training offered to female small business entrepreneurs are not always addressing their specific needs and that more female consultation is needed to nurture female small business entrepreneurs and to tailor it to female small business entrepreneurs’ needs. Female small business entrepreneurs are adamant they want professional experienced business advisors to offer the training. Schwab (2013b:6) asserted that quality education and training is crucial for Uganda to be
able to improve the value chain beyond simple small business production processes and products. This may point to the fact that the government does not offer good quality training programmes or that the programmes are not practical enough to apply in their specific small businesses.

The role of government and business associations in providing business skills development training programmes specifically on public-private partnerships is acknowledge and appreciated. The small business support specialist participants are fully aware of the many institutions in Uganda offering small business training that can assist them to grow their small businesses. The following training opportunities are currently (2017) available in Uganda for small business entrepreneurs:

- Central Bank of Uganda developed a financial literacy training programme that anybody can attend and work closely with the Financial Literacy Advisory Group and Financial Literacy Information Sharing (Tumusiime-Mutebile, 2013:18);
- Uganda Export Promotions Board offers export skills and capacity development to meeting product quality standards training and ongoing counselling (Uganda Export Promotions Board, 2017:2);
- Makerere University’s Food Technology and Business Incubation Center offers business training programmes on food processing, marketing, bookkeeping and promotion of SMEs (Food Technology and Business Incubation Center, 2017);
- The Uganda Investment Authority Women Entrepreneurs Network offers entrepreneurship training on improving product quality and meeting standards to female entrepreneurs (Uganda Investment Authority, 2016:2);
- Enterprise Uganda offers business training workshops on improving production, quality and supply to females in the Strengthening Women Entrepreneurs Programme in Uganda (Sigvaldsen, Nkutu & Mogen, 2011:15);
- Uganda Women Entrepreneurs Association Limited offer females training programmes on increasing export revenues and volumes, improving service effectiveness, product development, value addition, marketing, business and finance management (Uganda Women Entrepreneurs Association Limited, 2017), and
Uganda Small Scale Industries Association holds female innovative talks on gender equality and equity, good governance, awareness on health, hygiene, water and sanitation and female human rights. In addition, Uganda Small Scale Industries Association provides information on skills upgrading training, regional markets in Rwanda and Tanzania through workshops in electronic and printed media (Uganda Small Scale Industries Association, 2017).

The length of the above-mentioned training programmes vary from very short (breakfast meetings) to even one week long. Although several training institutions already offer programmes as indicated by the small business support specialist participants, only four institutions offer female-specific training.

It is worth noting that the female entrepreneurs recognise the role the university can play in advancing small business growth skills, but they do not know who to approach, and regard getting there as problematic. It seems that the female small business entrepreneurs are not aware of the incubator operating at the Makarere University, which may point to lack of media coverage about it. The fact that the female small business entrepreneurs had a bad previous experience when business skills development training programmes were advertised and then not taking place and also regarding the inconsistency of the programme offering, may have influenced why female small business entrepreneurs regard skills training programmes offered by government as not worth attending.

After considering the strategies already implemented, it is suggested that female small business entrepreneurs should take the initiative to search for business skills development training opportunities and participate in programmes that can enhance their specific management skills as desired. It is further suggested that government should:

- initiate a government Women Entrepreneurship Centre that develops business skills development training programmes that meet the needs of specifically female small business entrepreneurs such as on strategic planning for increased market access
and business innovation, business networks available, investment growth opportunities; low-cost marketing techniques beyond word-of-mouth, financial knowledge, bookkeeping, human resource management, how to become a sustainable, competitive and responsible business and offer trade specific skills training such as for hairdressing, restaurant and supermarket retail trade;

- offer through the Women Entrepreneurship Center one-on-one counselling and/or mentoring on small business growth to assist female small business entrepreneurs to expand internationally and access to a global networking database for future business opportunities;
- create a SME Promotion Council to advise the Prime Minister on public-private representation at national level and develop a five and ten year SME development plan;
- partner with the private sector training institutions to offer specialised training in those areas where expertise is scarce, and
- set up a technology industrial service functioning as a virtual business to monitor technology transfer to assist small business participants in technology know-how transfer and how to apply the technology to create value for the recipient. The assistance is completed when the project is accomplished.

It is also suggested that business associations should:

- develop a national female mentoring programme with experienced mentors to guide small businesses towards growth and succession planning. This programme should be free of charge for about six months by employing experienced volunteering business people that will avail themselves free of charge to mentor within their area of expertise. A small fee can be charge for the extension of the programme beyond six months. The mentoring could take place in-person or online, and
- develop a database of experts and explore partnerships with them to assist in referring female small business entrepreneurs to experienced professionals for assistance on business growth issues.
In addition, it is suggested that all training institutions should:

- consult with females on the training needs to develop and conduct demand-driven small business management training on specific needs areas;
- ensure consistent entrepreneurial service training delivery across the board by contracting competent trainers specialising in specific topics and industry experts;
- monitor and evaluate the impact of the training by requiring feedback from the participants to improve their training offerings;
- organise both short and longer training sessions varying from breakfast business talks that make it possible that more small business entrepreneurs can attend to formal seminars and workshops focusing on specific topics. The type of topic will determine the length of the programme such as marketing skills may be only a one day seminar while financial skills may require a week long programme, and
- increase awareness of business skills development training programme opportunities in both printed and digital media. Notices of training programmes can be placed on bill boards, announced on radio programmes or on the government portals, places of worship and where community meetings take place.

9.5.3 Legal business operation requirements

Meeting legal business operation requirements seems a real challenge for small business entrepreneurs in Uganda. Mayoka and Balunywa (2012:118) confirmed that small businesses regard business registration as challenging in Uganda. It seems that female small business entrepreneurs claim that they are not informed, but it also points to intentional disregard about obtaining information about the registration process and trading license requirements. Female small business entrepreneurs in Uganda perceived it best to avoid formalising their businesses because it is an expensive and time-consuming process. A government small business support specialist, however, confirmed that there are many institutions offering information and support to legalise a small business, but acknowledge that the current business registration process in Uganda is not conducive for encouraging small business growth. The reluctance to formalise the small businesses may be due to the fact that business registrations and licenses are
processed only issued in the Kampala Capital City, which may require entrepreneurs to make several trips to submit the required paperwork (Nshaho, 2011:22; Ssendaula, 2012:6). The following legal business operations support institutions for small business entrepreneurs are available in Uganda:

- The Ministry of Gender, Labour and Social Development offers information regarding registration of non-governmental organisations (Muluri-Mukasa, 2016:10);
- Uganda Investment Authority created a one stop center for business registration and licensing, where all steps can be completed at the same time (Uganda Investment Authority, 2015:5);
- Uganda Development Bank sensitises female entrepreneurs on registration procedures and benefits of formalisation efficiently and effectively (Uganda Development Bank, 2017:2);
- The Uganda Registration Services Bureau in a Partnership with Kampala City Council Authority sensitised and opened up centers to support small businesses in the registration process and avail all the necessary information to support smooth business operations (Butagira, 2015:24), and
- Kampala City Council Authority sends reminders to registered businesses to pay on time for the trading license (Turomwe, 2017:94).

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that female small business entrepreneurs should:

- make an effort to formalise their small businesses by registering it and obtaining a trading license to take advantage of the benefits associated with being a formal legal business entity such as obtaining government tenders and being regarded as an ethical business;
- annually renew their trading license by paying to avoid possible business closure and losing potential income, or even being arrested, and
• improve communication with government agencies during their business operations to increase efficiency in their transactions and in making investment decisions in a transparent way.

It is also suggested that the Ugandan government should:
• simplify the registration and trading license system by reducing the number of steps.
• create an online system with a secure user-friendly interface that gives entrepreneurs 24/7 access to register their businesses and reduce registration time, cost, or the necessity to travel to obtain it and that generate a certificate and automatic database of all registered businesses in Uganda;
• should provide a wide range of online fees payment options available such as an Electronic Funds Transfer (EFT) or credit card system to make it easy for entrepreneurs to pay the fees;
• utilise the online system to send registered businesses reminders about trading license payment renewals.
• send information about the regional databases to all regional district offices to decentralise the management of registration and trading license process, and reduce travel costs of small business entrepreneurs wishing to query issues in-person;
• partner with business associations to organise regular sensitisation workshops specifically for female entrepreneurs to provide information and written publications on business registration, trading license renewal and the benefits of formalising a small business;
• create a gender desk at all small business support agencies to provide more assistance to specifically female small business entrepreneurs during business registration and trading license processes;
• to encourage other small business entrepreneurs to formalise their small business, identify female entrepreneurs from the database in different regions and publish their formalisation experiences and also reward or recognise those that comply.
9.5.4 Business taxation

It seems that the high business taxation rate is a challenge for small business entrepreneurs in Uganda. Previous research (Ali et al., 2014:832; National Small Business Survey of Uganda 2015:36; Nshaho, 2011:74; Sebikari, 2014:18) has proved that Uganda’s business taxation systems have failed to adequately support small entrepreneurs. This could be so because the country does not have a clear national tax policy for small businesses (Sebikari, 2014:13). Female small business entrepreneurs perceived the rates to be unfair, but it points to not understanding how the rates are determined. A business with a gross turnover of less than ten million Ugandan shillings, does not pay tax. Businesses with a gross turnover exceeding ten million Ugandan shilling pays tax on a sliding scale with ten million Ugandan shillings increments or 3% of their gross turnover within that category, whichever is the lower (Uganda Revenue Authority, 2014:3).

Although business associations already provide advice to female entrepreneurs on tax issues as indicated by the small business support specialists, the advice provided is not conclusive because female entrepreneurs must engage with the tax agency to meet their obligations. The following improvements in the tax system have been implemented in Uganda for small business entrepreneurs:

- Uganda Revenue Authority launched the Taxpayer Register Expansion Programme to sensitise taxpayers on the requirements and procedure relating to the Taxpayer Identification Number registration and the relevant tax types, and
- created a self-electronic tax filing system at the Uganda Revenue Authority to speed up tax compliance.

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that female small business entrepreneurs should:
• make a concerted effort to understand the small business taxation system and prepare their financial statements according to the requirements timeously to make it easier to complete their tax returns and to submit it on time, and
• seek guidance from the tax authority if uncertain of the tax requirements and the amounts to be paid for the different taxes such as presumptive tax, value added tax and local excise duty.

It is also suggested that the Ugandan government should:
• increase sensitisation sessions at their regional offices and provide detailed information regarding the business taxation processes and benefits of compliance in at least five of the local languages;
• implement an online user-friendly tax registration system to make it easier for small business entrepreneurs to pre-register for tax purposes and allow self-assessment and electronic filling and payment to reduce the time spent to complete the assessment and to widen the country’s tax payment base;
• simplifying the tax system for small businesses by consolidating several taxes and social monthly contributions into one payment hence reducing the tax burden and labour costs for SMEs;
• implement a tax based model that links a fixed tax rate to the business size so that small business entrepreneurs are aware of the amount of their tax assessments to ensure they can pay the amount;
• implement a Fair Share Revenue programme that registers small business participants with a tax credit which can lead to an improved financial status and opportunities to obtain business from government, and so promote innovativeness to spur long-term business growth;
• provide reduced tax rates to small business entrepreneurs for a predetermined number of years for example five years, to encourage business growth and those operating in specialist zones and/or essential industries such as ICT that can contribute to developing the country faster, and
allow small businesses whose turnover is below one hundred and fifty million Ugandan shillings to claim back Value Added Tax incurred on all business expenses as an incentive.

9.5.5 Access to finance

It seems that access to finance challenges for small business growth are caused by the female small business entrepreneurs themselves and the lack of a conducive business environment in Uganda. Namatovu et al. (2012:21) confirmed that limited access to finance for small business growth is a critical concern in Uganda.

According to the empirical results, female small business entrepreneurs in Uganda seem to: not formalise their businesses, lack financial literacy and management skills, are unable to provide loan security, are careful to access funding due to the perceived risks associated with non-payment, do not separate their home and business finances, and are obliged to get spouses to sign surety that led to them misusing the money intended for the business. Several researchers (Aterido et al., 2013:103; National Small Business Survey of Uganda, 2015:4; Okello-Obura et al., 2008:372; Randall, 2008:29) stated that female entrepreneurs in Uganda are faced with many small business finance challenges such as limited access to finance, high cost of finance, property right restrictions and low financial literacy.

Business environmental factors that influence access to finance for female small business entrepreneurs identified from the empirical results are: financial institutions lacking adequate affordable long-term development funding for business growth, funders corrupt in fund allocation and their prejudice of female lenders, high interest rates and tight repayment schedules of financial institutions. Schwab (2012:352) confirmed that Uganda’s slow financial market development limits access to finance for the growth of entrepreneurs. Despite the fact that it was indicated that there aren’t adequate affordable long-term development funding available for business growth, the following financing
opportunities are currently (2017) available for female small business entrepreneurs in Uganda:

- Ministry of Gender, Labour and Social Development under the Uganda Women Entrepreneurship Programme provides funds to female entrepreneurs undertaking economically viable income generating activities (Muluri-Mukasa, 2016:3);
- DFCU Women in Business programme offers female entrepreneurs unsecured lending of up to US$10,000 to traders, discounted interest rates on loans, contract financing and support to set up investment clubs in order to pool savings (DFCU Group Annual Report and Financial Statements, 2016:18);
- Centenary Bank offers a special CenteSupa Woman Club programme to increase financial inclusion for female entrepreneurs while improving their levels of income and livelihoods (Ddumba-Sentamu, 2016:37);
- Uganda Investment Authority writes project proposals that attracts funding for projects. Together with other government and private sector agencies, Uganda Investment Authority promotes alternative financing options such as Private Equity, Venture Capital, Angel groups and crowd funding platforms (Uganda Investment Authority, 2016:2);
- Uganda Development Bank provides access to credit to development projects in growth-oriented sectors of the economy (Sejjaaka, 2016:5);
- Uganda Women Entrepreneurs Association Limited (2017) provides necessary financial linkages to female entrepreneurs through partnerships with the public and private sector players;
- Uganda Small Scale Industries Association (2017) supports entrepreneurs to access funds through creating financial networks and linkages, and
- informal financial sources such as family, friends and belonging to a “merry go round” (stokvel).

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that the female small business entrepreneurs in Uganda should:
• legalise their small businesses by registering it and obtain a trading license to be able to access finance for business growth;
• seek funders through their networks, collaborations and embassies for specific projects such as procurement of business equipment and machinery, construction or rehabilitation of business premises; product research and certification;
• consider seeking funding from non-bank sources such as business angels, accelerators, venture capitalists and private equity funds;
• contemplate changing their form of business from sole proprietor to a private company to access the share market, and
• join female entrepreneurs’ forums to stand a better chance to obtain a grant via a Female Entrepreneurs Fund.

In addition, it is suggested that the financial institutions in Uganda should:
• develop sector specific small business financial products to meet the current needs for female growth-oriented small businesses;
• partner with local and international institutions that provide loan guarantees or risk sharing facilities in order to enlarge their capital base for long-term development financing for small businesses;
• revise flexible collateral requirements and issue non-asset backed or contract-based loans to deserving female small business entrepreneurs with businesses that have the potential to grow;
• develop financial deposit products specific for female entrepreneurs to enable them to establish a favourable financial track record;
• incorporate a component for female entrepreneurs operating growing small businesses in the project proposals while sourcing funds;
• provide debt based financing through a business loan for a single purpose over a particular period, with collateral attached;
• implement regular financial education programmes to enhance financial knowledge, attitudes and behaviour among female small business entrepreneurs, and
• set up a gender desk to offer special assistance to female small business entrepreneurs; and
• make a concerted effort to promote the available financial products and services to female small businesses.

It is also suggested that the Ugandan Government should:
• create and disseminate a comprehensive information database for small business funding opportunities;
• collect and monitor gender-disaggregated data on female small business entrepreneurs to measure the effectiveness of interventions and monitor financial inclusion for female small business entrepreneurs;
• build awareness of the role of female-owned small businesses to national economic growth;
• ensure relevant laws, policies and government-supported finance opportunities affecting female small business entrepreneurs are transparent and easily accessible to the public, and not impose limits on collateral;
• allow creditors to sell collateral through an agreement and that secured creditors have first priority to their collateral;
• strengthen and expand the financial infrastructure with credit bureaus and collateral registries to support females building credit histories in their own names
• incentivise banks to lend to female entrepreneurs through programmes such as credit subsidies or partial credit guarantee programmes;
• increase the lending limit of small business agencies to offer more support to existing successful small business entrepreneurs interested in growing their businesses and reduce the cost of borrowing;
• establish a business development fund to implement public-private partnerships for financial and in-kind support targeting female entrepreneurs;
• encourage female small business entrepreneurs to consider utilising a combination of different funding options to grow their businesses such as commercial banks for long-
term loans, credit unions for savings, microfinance institutions for short-term loans and hire purchase facilities to obtain vehicles;

- ensure private sector funding options are made available through a venture incentive capital programme for financial cooperatives and corporate social responsibility funding;

- implement a Uganda Small Business Financing programme operating as a small business-focused loan loss sharing programme that transfers default risk from lenders to government to encourage lending to small businesses;

- establish a Community Adjustment Fund with each community agency working closely with the local governments, the private sector and community groups in identifying the loan amounts required for small businesses and overseeing loans to existing growing businesses;

- reform the movable collateral framework to enable small businesses to leverage their mobile assets to access finance;

- establish conditional cash transfers or workfare programmes for funding small businesses whereby the requirement for access is that it must be formal business and that after receiving the funding for example within a year, the number of employees must have increased;

- introduce a bank card for innovative female small businesses by enabling preapproved automated credit to finance productive investments such as for the hiring of applied research, development and innovation services and the purchase of domestic machinery and equipment payable with 48 months;

- offer financial literacy programmes on money management, recordkeeping and understanding financial statements, savings, investment options, costing, to enhance financial knowledge, attitudes and behaviour among female small business entrepreneurs;

- pursue the possibility of attracting international angel investors to assist Ugandan female small business entrepreneurs to grow their businesses;
• improve the credit reporting systems and enhance access to credit information by adopting laws or regulations to share credit information or protect the borrower’s right to inspect their data;

• put in place regulations for small businesses that export or expand their business internationally to include: rules of foreign exchange administration relating to capital accounts, and return of guarantee for profit of overseas investment being transferred to Uganda to build a fund to assist other growing businesses;

• make it compulsory that the Central Bank of Uganda and all financial institutions have a gender desk to offer assistance to female small business entrepreneurs;

• set up a Small Industry Equity Investment Scheme to stimulate the private equity industry in Uganda and require banks to set aside ten per cent of their pretax profits for equity investments in small businesses, and

• embrace financial openness by increasing domestic financial restructuring as well as capital account liberalisation through easing restrictions on capital flows across the country’s borders. This can lead to a considerable increase in financial access options and an increase in market-oriented allocation of business credit together with the availability of high quality and accurate information for small businesses.

9.5.6 Infrastructure

It seems that according to the female small business participants road infrastructure challenges were the most prominent and were related to rural roads in bad conditions, lack of customer parking space and then having to pay for it. The most recent Uganda National Development Plan II (2016-2020) cited that one of the country’s most prominent development constraints is inadequate physical infrastructure, especially roads. The national road network in terms of major feeder roads linking the production sectors to markets, regional imbalances in transport sector services and an escalation of traffic of commercial and personal vehicles into the central business district across Uganda was confirmed as influencing small business growth needs (Private Sector Foundation Uganda, 2012:19; Ministry of Finance, Planning and Economic Development, 2011:14). Road infrastructure improvements that have taken place in Uganda are the Uganda
National Road Authority improving road connectivity to Southern Sudan; rehabilitating and continuously improving and maintaining the national, district and community access roads, in particular in metropolitan Kampala to ease traffic congestion; constructing key bridges and accelerating the construction planning of the second bridge on the River Nile at Jinja, the development of the Kampala - Entebbe highway, improving access to the Kalangala Islands with the construction and operation of a ferry from the mainland and also prioritising roads in the Albertine Region to facilitate oil production (Clifton, Broersma, Hennion, Keita, & Watson, 2016:238; Matovu, 2014:3; Ntege, 2016:22).

Other infrastructural challenges identified by the small business support specialist participants as influencing small business growth and their competitiveness were related to electrical power generation and water supply. In Uganda, electricity generation capacity has increased and technological advancements were made through increased internet access, increasing the number of internet and mobile service providers and the use of mobile technology (Talbot, 2013:1; Uganda country report, 2017:23).

After considering the strategies already implemented and those that best practice countries have implemented to assist with business growth in general, not just small businesses, it is suggested that government should:

- develop an excellent tarred transport network with extensive and efficient quality roads connecting rural villages to districts and the city to improve access from the suppliers and customers with easy access to shops in urban areas;
- develop a competitive road construction industry with road commission members that have the appropriate technical expertise and appointed from both the regulatory and industry sectors to enhance management and finance capacity so to execute road upgrades in a cost effective way through assessing the distance to grid and population density, while adopting risk-based inspections which ensures road infrastructure sustainability;
- prioritise and speed up rural electrification;
- lower the costs of mobile telephone calls and internet to entrepreneurs in order to communicate effectively;
- ensure provision of affordable and reliable electricity supply;
- improve water supply and distribution by using innovative technologies like water harvesting, boreholes, piped water schemes and apply alternatives to the deforestation caused by charcoal production; and
- promote energy efficiency and renewable energy technologies in Uganda in partnership with non-governmental organisation and countries leading in these technologies.

9.5.7 Family-related issues

It seems that family challenges for female small business entrepreneurs wishing to grow their businesses are related to relatives such as in-laws that expect free services or preferential customer treatment, difficulty in balancing work and home life, having to work long hours, and lack of support from spouses to assist in caring for the immediate and extended family. Several authors (Eikhof et al., 2013:560; Itani et al., 2011:418; Jamali, 2009:243; Knorr, 2011:103; Roomi et al., 2009:279) acknowledged that females find small business growth challenging due to the stereotype role associated with females that include being responsible for domestic activities and the perception that housework is minor, together with societal pressures regarding the role of females as business owners. Spouses abuse their position when they are required to co-sign for loans as they expect compensation for doing so, such as access to some of the funding, making it even more difficult for females to grow their small businesses as they have to repay the full loan without any spousal assistance.

Conventionally, females are actively involved in making decisions for the family and business affairs (Itani et al., 2011:416). As the business fails to meet family needs, it may lead to the breakdown of the family as an institution for social change (Kasaija, 2012a:4). Due to the perception that the female small business entrepreneur makes money, they often have to care for the extended family which increases their financial obligations and
preventing them from having any funding to grow their businesses. As mentioned by Rehman and Roomi (2012:210), managing the business and family becomes more difficult when females are expected to take care of the extended family. Family employees appear to also not take their jobs seriously and, therefore, lack work commitment.

However, some small business support specialists pointed out that some challenges are self-induced as female small business entrepreneurs might appear disorganised when they battle to cope in the complex business environment. They also appear to be unable to separate business finances from family finances. This should not be the case as the female small business entrepreneurs in Uganda currently (2017) have access to family-related advice if they:

- join The Uganda Women Entrepreneurs Association Limited that provides advice on family issues to female entrepreneurs during the mentoring relationship (Uganda Women Entrepreneurs Association Limited, 2017);
- attend workshops for females offered by the Uganda Small Scale Industries Association on non-business issues like family support, health and housing; (Uganda Small Scale Industries Association, 2017), and
- join the National Association of Women Organisations in Uganda that can guide them on their needs, rights and responsibilities, monitoring their status with special focus on legislation, implementation, conventions and human rights, and sustainable business development - social, economic and political (Kasule, 2016:16).

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that the female small business entrepreneurs should:

- build a working relationship with males in the family or spouses as business partners, but ensure that they are clear about her role as business owner and theirs as business partners, especially regarding financial matters;
- insist that husbands provide financial support to the family and take care of some childcare duties which will allow them time and business savings for business growth;
• obtain family care support by obtaining the buy-in of live-in family members, or if able to afford it, hire a domestic caretaker;
• plan the number of children through available family planning programmes and inform other family that she is not financially able to care for additional dependents fully and also inform children from extended families that financial support may be expected from them in future;
• overcome female stereotyping by building a family business while promoting the successes of great grand-parents when receiving objections.
• set specific working hours and adhere to them to attempt balancing work-family life.
• separate their family finances and business finances by opening a business bank account and be meticulous in keeping records of business transactions to truly reflect the financial affairs of the business to increase chances of funding access;
• attend female-specific entrepreneurship support programmes that focus on dealing with family-related issues such as family care support, childcare duties, family planning, balancing work-family life, and
• request participation in a female mentorship programme such as balancing work-family life, keeping records, opening a business bank account, advice on how to deal with family-related and business challenges in Uganda.

It is also suggested that the Ugandan government should:
• expedite the implementation of favourable family policies that support females owing businesses and negate the needs for co-signing of spouses for loan agreements;
• establish a Family Economic Advancement Programme to provide investment opportunities for female entrepreneurs by stimulating relevant entrepreneurial activities to earn higher incomes and also raise their standard of living and create value in the economy, and
• improve the females’ status by creating a family subsidy programme for health and educational benefits and access to a housing subsidy programme to relieve home financial pressures and reduce payments from business money.
In addition, it is suggested that the female-oriented business associations should:

- create awareness of their activities by advertising on the radio, buses and put posters on street light poles;
- schedule regular meetings to provide female entrepreneurs with moral support for family-related issues by lobbying the buy-in from members of society and government, family and friends;
- try and elevate the status of female small business entrepreneurs in society by promoting female-owned businesses to cultural, community and local councils, as well as family heads and clearly explain the important role they play in providing for their families and the Ugandan economy;
- encourage spousal participation in attending workshops on entrepreneurship interventions to better understand business challenges, what is required to grow the business and on handling and managing family issues to get females and males to work in harmony as partners in the small business;
- advocate for family reforms at government level to allow female entrepreneurs to sign business loans without co-signing with their spouses, relatives, friends and guarantor, and
- provide female small business entrepreneurs access to business networks (female or not) to offer them business advice, opportunities to expand their businesses or access to non-bank finance.

9.5.8 Cultural taboos

Cultural taboo challenges identified by both female small business entrepreneurs and business association small business support specialists were religious restrictions regarding the sales of certain products which limits the competitiveness of their businesses. Both the female small business entrepreneurs and the financial institution participants confirmed that female entrepreneurs are not regarded as valuable as there is male gender stereotyping that males as a family provider should own a business in Uganda. This may be the reason why when husbands co-sign a loan, they think they are entitled to some of the money without contribution to the loan repayments. The females,
therefore, have to repay the full loans without having access to all the funding to grow their small businesses. Ellis et al. (2006:21) affirmed that lack of control due to inequality views of married females and cultural attitudes and beliefs of females in general create barriers to small business growth. In spite of these impediments that female small business entrepreneurs’ face when considering growing their business, an attempt is made in Uganda to assist in changing the perception of females owning businesses.

An enabling competitive business strategy was implemented with a focus on the creation of institutions with social inclusion (Cadiz & McLeod, 2011:12) to provide equitable access to entrepreneurial opportunities to increase the sources of economic wealth and number of dynamic entrepreneurs, and to enhance routes to social mobility (Ramkissoon-Babwah & Babwah, 2013:43). The social policy strategy focused on the promotion of entrepreneurial teams to form networking communities. The following are cultural programmes promoting female entrepreneurs in Uganda currently (2017) available:

- Women of Uganda Network uses ICTs such as SMS and internet in raising awareness about cultural practices against females (Adome, 2011:8);
- FIDA (U) is at the forefront of assisting females, children and other destitute groups in attaining effective legal protection for females to get property and land which they can use to operate a business (Nainar, 2011:3);
- Action for Development conducts gender-responsive advocacy for cultural practices that promote legal and female’s rights, such as rights to inherit and own land and property so that they can engage in business and the rights of females to accomplish their education to be able to gain basic knowledge of how to manage a business (Bafaki, 2015:8), and
- Media houses such as New Vision, Monitor Publications, television and radio stations have been key in raising public awareness on issues of culture and females.

After considering the strategies already implemented and those that best practice countries have implemented to assist with small business growth, it is suggested that the female small business entrepreneurs should:
Communicate with their husbands and relatives to encourage them to participate in culture awareness sessions organised by business associations on the important role of a female entrepreneur in order to provide them with what is necessary to grow their businesses, and

voluntarily join community cultural oriented campaigns to increase awareness and sharing of information on small business growth.

It is also suggested that the Ugandan government should:

- increase female’s ability to own and leverage assets as collateral, addressing issues such as property, housing and inheritance by enforcing females rights to own property and land;
- revise the SMME policy to include specific strategies for social empowerment for female entrepreneurs regarding cultural practices that support or hinder business growth;
- provide equitable access to entrepreneurial opportunities and enhance routes to social mobility where females can interact and network with others from different regions, to increase the economic sources and number of entrepreneurs;
- create a social policy strategy focused on the promotion of entrepreneurial teams within specific sectors to form networking communities where they can exchange knowledge;
- use successful female small business entrepreneurs in media as role models to encourage other female small business entrepreneurs to grow their businesses;
- create a culture of social inclusion for females by enticing and rewarding females to trade in male dominated sectors to widen their entrepreneurial thinking and gain confidence in being valued as a business women;
- introduce the National Plan of Action for the Advancement of Women entrepreneurs in Uganda and integrate females into the national development agenda without discrimination;
- promote gender equality and gender awareness where females are equal to males in every aspect of life, including business ownership and females participating in all
activities such as serving on boards or monitoring committees and participating in community affairs;

- establish community cooperatives that hold regular sessions on the impact of cultural practices on business that will ensure increased communication within communities about revision of cultural taboos, business innovation and on how to grow a business;
- ensure that the relevant female-oriented Ministry mandated to initiate, coordinate and monitor gender responsive issues promotes an entrepreneurship culture amongst females in Uganda, and
- establish a Better Life Programme to stimulate and motivate Ugandan females towards achieving better living standards through inculcating a spirit of self-development in business to enable female entrepreneurs to build self-esteem and confidence to grow their businesses.

In addition, it is suggested that the Ugandan media should:

- publish reports that contribute positively to developing an entrepreneurial culture with a focus on female entrepreneurs to instill entrepreneurial values for small business entrepreneurs aspiring to grow their businesses;
- conduct regular talk shows on television and radio that discuss detailed cultural values and sensitise the public on cultural taboos and how they affect females entrepreneurs that want to grow their small businesses;
- create attention regarding the cultural practices that hinder females from advancing in their entrepreneurial culture through documentaries;
- partner with female-led associations and selected female entrepreneurs to develop and run regular plays or stories that change the cultural mindset of the different community members like spouses, elders, children, and relatives that despise females who own businesses.

Furthermore, it is suggested that business associations should:

- conduct sensitisations and engage cultural and opinion leaders to get their buy-in regarding female-oriented programmes.
• offer talks where males are informed that female succession is natural and they can become their wives’ business partners;
• form an initiative or annual programme for specific female-oriented sectors which enhances the culture of entrepreneurship amongst females by promoting capacity building and skills acquisition for female entrepreneurs, and
• create more gender entrepreneurship awareness campaigns and advocacy programmes by organising outreaches, street walks and through media publications liaising with government, community and non-governmental organizations.

It is acknowledge that many of the above-mentioned strategies requires funding for implementation. Hoerver, the exhaustive list of strategies are providing several small business support institutions with ideas of how they can go about improving the small business environment within their allocated budgets and most importantly for female small business entrepreneurs. Social media has changed the way business is conducted, people are governed and the way people live in society. Over time social media might speed up social innovation regarding the perceptions held of the role of females entrepreneurs in society. In the networked world, social media can promote the important role of females in society through global public participation.

9.6 CONTRIBUTIONS OF THE STUDY TO THEORY AND PRACTICE

From the empirical and theoretical results it was clear that an attempt is being made to improve the small business environment in Uganda. However, it was also acknowledged that there is still room for improvement. There is also much to learn when considering small business growth best practice strategies applied in countries that have made impressive progress in developed innovation-driven- and developing efficiency- and factor-driven countries. This research has made several contributions to the body of knowledge on best practice strategies to overcome small business growth challenges in Uganda, and most specific also for female small business entrepreneurs. It is anticipated that many of these best practices can be applied to developing countries other than Uganda, and it is acknowledged that most of these strategies are not just specific to
female small businesses, but to small businesses in general. However, the following specific contributions have been made:

- Using the qualitative research paradigm has enabled the expansion of extant literature on female-owned small business growth challenges and how it can be overcome and not merely testing existing knowledge;

- This all-embracing study has highlighted what influences the conducive small business growth environment in Uganda. These influences were confirmed in identifying eight small business challenges associated with small business growth in Uganda namely: small business support; business skills development training; legal business operation requirements; business taxation; access to finance; road infrastructure; family-related issues and cultural taboos. Most other studies merely conclude small business challenges for start-up businesses, in particular funding challenges. No studies could be traced that explored small business entrepreneurs’ challenges in Uganda in a qualitative study, although some studies have merely tested predetermined small business challenges in a quantitative study;

- This comprehensive study has also established which small business challenges can be regarded as perceived and which are real challenges as it was not just taken on face value from the small business entrepreneur participants’ responses, but confirmed by small business support specialists in Uganda. Most other studies merely conclude small business challenges without consideration or confirming which challenges may be regarded perceived or real;

- The study has specified which challenges are generic to all small businesses and those specific to female small business entrepreneurs. There is paucity in studies conducted on female small business entrepreneurs’ growth challenges and even less so utilising a qualitative study by obtaining rich information from both small business entrepreneurs and small business support specialists;

- In addition to the small business growth challenges identified, the study confirmed those strategies already implemented to facilitate a conducive small business growth environment in Uganda;
• The study uncovered further strategies that can be pursued to stimulate the Ugandan small business environment in general and specific to address female small business growth challenges. Practical solutions were presented as it was based on best practice strategies already proven to be effective in stimulating small business growth in the identified global developed and developing countries. Specific further strategies were also forthcoming from knowledgeable small business support experts in Uganda taking into consideration the Ugandan business environment. No other study has followed this comprehensive approach in identifying practical executable strategies to stimulate small business growth or more so on female small business growth and has borrowed knowledge of strategies in both developed and developing countries other than Uganda, that has proven to be effective in stimulating small business growth and specifically those owned by female entrepreneurs. No other study has also canvassed information from two different groups knowledgeable on small business issues simultaneously;

• The suggested best practice strategies provides rich enough information to be tested in a quantitative study on a large sample of small business entrepreneurs. Statistical analysis can provide further insight into whether there are differences in the opinions based on the demographic profiles (gender, age, qualifications, small business size and industry sector) of the small business entrepreneurs on which of the identified best practice strategies are essential to promote small business growth.

9.7 SELF-REFLECTION AND LEARNING

The field of small business growth appears to be continuously developing, and doing this study has awoken a desire in me to remain abreast of new developments in this field. Conducting this exploratory descriptive case study research has enhanced my desire to be a small business development specialist and be a researcher to understand (through the qualitative research method) how female small business entrepreneurs and small business support specialists comprehend small business growth specifically focusing on the eight identified best practice strategies. The qualitative method applied in this study exposed me to a number of valuable data collection methods which I previously may have
used, but never understood how effectively they generate rich information on the area of study. I will now be able to analyse, interpret and present data with ease in future consulting or research projects I engage in.

The findings from this study have given me a better understanding of some of the challenges experienced by female small business entrepreneurs and small business support specialists’ efforts towards small business growth. I have learnt that there are perceived challenges expressed by female small business entrepreneurs and small business support specialists such as small business support, access to finance and business skills development training. While the real challenges are either generic such as legal business operation requirements, business taxation and infrastructure or female-specific such as family responsibilities and cultural taboos impeding the growth of female-owned small businesses in Uganda. Furthermore, the comparison of small business growth strategies in Uganda within developed and developing countries taught me that there is a lot to learn from the global best practice strategies in countries such as Trinidad and Tobago, Canada, Brazil, China, Ghana, Nigeria and Vietnam. It made me realise different countries implement specific small business growth interventions for female entrepreneurs based on their level of development.

In the next section the limitations of the study are provided.

9.8 LIMITATIONS OF THE STUDY
The present study has attempted to make a significant contribution to the body of knowledge concerning small business growth of female entrepreneurs in particular. However, as is the case with all empirical studies, the following limitations were experienced:
• The findings in this study are based on perceptions, opinions and experiences of participants from only one region in Uganda, namely Kampala. Therefore, there are limitations with regard to generalising the results obtained from this study as it is likely that responses from female small business entrepreneurs and small business support
specialists from other regions may differ from those included in this study. However, as Kampala is the only city where small business registration and the issuing of trading licenses takes place, it was regarded as the best place to collect data;

- The nature of the sample consisting of female small business entrepreneurs in three businesses (hairdressing salon, restaurant and supermarket) selected and nine key small business support institutions (two government, two financial, two training, one export promotion and two business associations) based on availability and willingness to participate, limits the capacity to generalise research findings across all small businesses in Uganda. However, these small business support specialists were knowledgeable in the topic and could provide rich information;

- Based on the empirical small business challenge findings, only eight strategies of small businesses were explored in this study. There may be other strategies that could have provided valuable information on stimulating small business growth for female entrepreneurs;

- Not all female small business entrepreneurs in Kampala were interviewed. There might be different findings amongst those not willing to participate in the study, or that do not have formally registered small businesses;

- Given that it is a qualitative study and the relatively small sample size of female small business entrepreneurs and small business specialists, the research findings cannot be generalised to the entire population of female entrepreneurs in Uganda;

- This study was qualitative in nature and only focused on the views of selected female small business entrepreneurs and small business support specialists. Employees in the small businesses and other small business support institutions might have provided additional information which could have been valuable for this study; and

- The Uganda Registration Services Bureau did not have a database of registered small businesses publically available and the unwillingness of participants to participate without remuneration made sourcing and access to formalised female-owned small businesses very difficult, and limited the female small business sample.
Despite the limitations mentioned above, the research conducted in this study is bound to make a valuable contribution to the field of stimulating small business growth of female-owned small businesses in Uganda. The rigorous content analysis of the empirical results in terms of, small business growth challenges and how to overcome them, and constant comparative analysis of the perceived versus real challenges, as well as generic versus femae-specific challenges contributed to small business knowledge in Uganda and most importantly to female small business knowledge. In addition, the strategies suggested by the female small business entrepreneur and small business support specialists in institutions on how to overcome the challenges to small business growth together with the global best practice strategies of the selected developing and developed countries, provided a clear indication of practical best practice strategies that can still be implemented in Uganda.

In the next section recommendations for future research is provided.

9.9 RECOMMENDATIONS FOR FUTURE RESEARCH
Owing to the importance of female small business entrepreneurs, there are many interesting topics on small business growth which may provide valuable grounds for future research and include:

- future research on this topic should be extended to other regions of Uganda to identify similarities and differences in small business growth challenges and strategies;
- a study should be undertaken to consider other sectors like agriculture and manufacturing;
- the development of a small business growth best practice strategies framework based on the views of employees;
- a qualitative investigation into the extent to which small business growth models can be applied in female businesses;
- a quantitative study comparing the growth of female-owned versus male-owned small businesses;
• a qualitative study comparing the performance of rural versus urban female-owned small businesses; and
• a longitudinal study which investigates the growth trend and support of female-owned businesses.

9.10 FINAL CONCLUSION
Female-owned small businesses are globally known for their significant position in the economic development of their countries. Because of the significant contribution of these small businesses to economic development and poverty alleviation, their growth is vital. As such, this comprehensive study is an initial step in gaining deeper insight into growth challenges and strategies of female-owned small businesses in Uganda as these businesses face high failure rates. The study also provided insight into how to create a conducive small business environment for small business growth. Although many of the best practices could apply to all small business, cultural taboos and family related challenges are a reality for female small business entrepreneurs, coupled with the problem of obtaining funding without co-signing by their spouses in Uganda. They are also still subjected to stereotyping and not regarded as able to manage large businesses. Numerous practical strategies have been suggested in this study to be implemented by various small business stakeholders to stimulate the growth of female-owned small businesses. Of specific importance, it is hoped that stakeholders in Uganda will take heed to these suggestions to improve the Ugandan business environment for female small business entrepreneurs and enable them to grow their businesses. Other African countries could also gain insight in how to apply these strategies within their own developing economies.
SOURCE LIST


ANNEXURE A: FEMALE SMALL BUSINESS ENTREPRENEURS INTERVIEW SCHEDULE

I, Cathy Mbidde, am currently (2015) pursuing a PhD in Business Management at the Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa. My research focuses on identifying the strategies to overcome small business growth challenges of female-owned businesses in Uganda.

I am collecting information using an interview schedule to gauge the opinions of female small business owners on their business challenges to grow their business and strategies on how these challenges can be overcome. This study will provide useful insight to government, the private sector, researchers and the community alike on how they can assist female small business entrepreneurs in their quest towards growing their business ventures.

All data sources will be treated as confidential and would be used for research purposes only. No individual participants will be identified but will be referred to as Participant A, B, etc.

Your cooperation is greatly appreciated.

Sincerely

Ms Cathy Mbidde

Prof Sandra Perks

STUDENT

PROMOTER
SECTION A: BIOGRAPHICAL PROFILE

Personal profile

1. Age?
2. Education qualifications?
3. What is your marital status?
4. How many dependents are in your family? Give details about their relationship to you.
5. If having children, how old is the youngest and oldest child?
6. Home language spoken?

Business profile

1. Business name?
2. Business contact details?
3. Date of establishment?
4. Type of business ownership?
5. Products/Services selling?
6. Number of employees at business initiation (excluding owner)?
7. Current number of employees (excluding owner)?
8. Business assets owned?
9. Business language used?

SECTION B: ENTREPRENEURIAL BACKGROUND AND BUSINESS OPERATIONS

1. Which of your other family members own a business? If so, indicate if their businesses are in the same sector as your business and/or whether you have worked in their businesses.

2. If any family members had a business, how did it influence you to start your business? If no family members had a business, what prompted you to start a business?
3. Have you owned another business before starting this business? Does it still exist? If so, what do you sell?

4. If not the owner anymore, what prompted you to sell the business?

5. Are you every day actively involved in the business?

6. What are your operation hours and days?

7. How would you describe your customers?

8. How many of your employees are female or male?

9. How many employees are permanent and temporary?

10. What are the roles of employees in your business?

11. Do you have a separate bank account for the business? Why so?

SECTION C: GROWTH ASPIRATIONS

1. Do you have a dream (vision/mission) for your business? If so, what is it?

2. Do you have future goals for your business? Is so, what are your future goals for the business? If not, why not?

3. Do you have a written business plan? If so, can I view it? If not, why do you not have a business plan?

4. Indicate how you gone about growing your business since establishment?

SECTION D: CHALLENGES TO BUSINESS GROWTH AND STRATEGIES TO OVERCOME THESE CHALLENGES

1. Do you regard government as providing a supportive SMMEs business environment for entrepreneurs? If so, how and if not, where did you go for small business support?

2. What do you suggest should government and other small business support institutions do to assist you in growing your small business?

3. What other small business growth challenges do you experience?

4. How in your mind how can these challenges be overcome? In other words, who can assist you and how can they assist you?
5. As a female, which other challenges due to being a female prevents you from growing your business?

6. How in your mind can these female-specific challenges be overcome?

THANK YOU FOR YOUR TIME
ANNEXURE B: SMALL BUSINESS SUPPORT INSTITUTIONS INTERVIEW SCHEDULE

25 September 2015

I, Cathy Mbidde, am currently (2015) pursuing a PhD in Business Management at the Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa. My research focuses on best practice strategies for the growth of female-owned small businesses in Uganda.

I am collecting information using an interview schedule to gauge the opinions of small business support specialists on strategies necessary to overcome small business growth challenges of female entrepreneurs. Furthermore, the research will assist in determining the small business growth challenges that are real and those female small business entrepreneurs in Uganda merely perceived as challenges. In addition, the information will assist in determining the generic small business growth challenges and which are specific to females only. This study will provide useful insight to government, the private sector, researchers and the community alike on how they can assist female small business entrepreneurs in their quest towards business growth.

All data sources will be treated as confidential and would be used for research purposes only. No individual participants will be identified but will be referred to as Participant A, B, etc.

Your cooperation is greatly appreciated.

Sincerely

Ms Cathy I Mbidde
STUDENT

Prof Sandra Perks
PROMOTER
INSTRUCTIONS

Dear Participant, please complete only the relevant section as indicated below.

Section A: Biographical profile (all participants)
Section B: Government institutions only
Section C: Financial institutions only
Section D: Training institutions only
Section E: Export promotion institution only
Section F: Business associations only

SECTION A: BIOGRAPHICAL PROFILE

Personal profile

1. Gender:
2. Age:
3. Education qualifications:
4. Number of years of working experience:
5. Current job title:
6. Period in position:
7. Current unit/department:
8. Management responsibilities:

Institution profile

1. Institution name:
2. Headquarters situated in:
3. Nature of ownership e.g. Public/Private/NGO/Other:
4. Date of establishment:
5. Number of employees a) Your department:  b) Institution:
6. If having an organogram, please provide a copy or indicate your reporting system?

SECTION B: GOVERNMENT INSTITUTIONS ONLY

1. Does government create a supportive business environment for business growth of female small businesses? If so, what has been done? If not, what can be done?

2. Does government have a strategic plan aimed at encouraging business growth of female small businesses? If so, explain whether and how they have benefitted. If not, what can government do to encourage business growth of female small businesses?
3. Does government provide adequate business growth assistance to female small business entrepreneurs? If yes, which business growth assistance has been provided? If not, what do you suggest should be done?

4. Does government create awareness of government assistance programmes for business growth of female small business entrepreneurs? If yes, how has it been done? If not, how should they go about creating awareness?

5. Which other assistance do you think can government offer to encourage business growth of female small businesses?

6. Does government coordinate business growth programmes for female small businesses? If so, how was coordination ensured? If not, what do you think should be done to ensure coordination?

7. Does government establish public-private partnerships to promote business growth of female small businesses? If so, was it successful? If not, how should the integration between public-private partnerships take place to assist female small business entrepreneurs in growing their businesses?

8. Does government make female small business entrepreneurs aware of public-private partnerships that could assist them with business growth? If so, how were they made aware? If not, how should they be made aware?

9. Does government obtain sufficient funding to assist with business growth of female small businesses? If so, why do you think it is sufficient? If not, which additional funding could be sourced?

10. Which type of financial support does government provide for business growth of female small businesses?

11. Is it easy for female small business entrepreneurs to access government funding for business growth? If so, in which way is it easy? If not, what prevents them from accessing it and how can it be made more accessible?

12. Are female small business entrepreneurs made aware of government funding opportunities for business growth? If so, how are they made aware? If not, how do you suggest they should be made aware?

13. Do SMME policies formulated by government encourage business growth of female small businesses? If so, explain which policies and how it does so. If not, why not and which policies should be formulated to encourage business growth.

14. Does government consult female small business entrepreneurs on the formulation of SMME policies for business growth? If so, how was it done? If not, why not?
15. Do you think more consultation is needed to formulate SMME policies for business growth of female small businesses? Explain.

16. Is the current business registration process effective for encouraging business growth of female small businesses? If so, what contributes to its success? If not, what should be changed?

17. Is the current taxation system conducive to business growth of female small businesses? If so, how? If not, which changes do you suggest?

18. Are there other legal limitations that can prevent business growth of female small businesses? If so, explain which and how each can be overcome.

19. Is the infrastructure in Uganda conducive to business growth of female small businesses? If so, in which way? If not, what should be done or put in place to improve it?

SECTION C: FUNDING INSTITUTIONS ONLY

1. Does your institution obtain sufficient funding to assist with business growth of female small businesses? If so, why do you think it is sufficient? If not, which additional funding could be sourced?

2. Is it easy for female small business entrepreneurs to access funding from your institution for business growth? If so, in which way is it easy? If not, what prevents them from accessing it and how can it be made more accessible?

3. Which specific type of financial support do you provide for business growth of female small businesses?

4. Are female small business entrepreneurs made aware of funding opportunities for business growth at your institution? If so, how are they made aware? If not, how do you suggest they should be made aware?

SECTION D: TRAINING INSTITUTIONS ONLY

1. Are there enough training programmes on business growth offered to female small businesses? If so, which programmes are available and have it been attended satisfactorily? If not, which training programmes do you suggest should be offered?

2. How does your institution create awareness of training programmes for business growth of female small businesses?
SECTION E: EXPORT PROMOTION INSTITUTION ONLY

1. Does your institution assist female small businesses to enter international markets? If so, how have they been assisted? If not, why have they not been assisted and how do you suggest they should be assisted?

2. Are female small business entrepreneurs made aware of global growth opportunities? If so, how are they made aware? If not, how could they be made aware?

3. Does your institution organise business conferences/seminars/forums/trade shows/festivals for business growth of female small businesses? If so, specify which and what was the purpose thereof? If not, how can female small businesses entrepreneurs be supported to participate in these events to grow their markets internationally?

4. Does your institution assist female small businesses wishing to grow to access international suppliers? If so, how is it taking place? If not, how can it be made possible?

5. Which international market access vehicle do you regard as the most suitable for female small business entrepreneurs wishing to grow their businesses?

SECTION E: BUSINESS ASSOCIATIONS ONLY

1. Does your institution provide assistance to female small business entrepreneurs to grow their businesses? If so, in which way have you assisted them? If not, why could you not assist them and how do you suggest they can be assisted?

2. In which way can your institution play a greater role in promoting business growth of female small businesses?

3. Does your institution provide mentoring to female small business entrepreneurs on how to grow their businesses? If so, what were they advised on and how frequently does it take place? If not providing mentoring, what prohibited your institution from doing so?

4. Any suggestions on how a mentoring programme for business growth of female small businesses should be structured and implemented?

5. Is your institution providing information on business growth opportunities to female small business entrepreneurs? If so, which type of information does it provide and how is the information disseminated to them? If not, why not and how should it be disseminated?
6. Should female small business entrepreneurs be encouraged to share best practices on how they have gone about growing their businesses? If yes, where and how should this information sharing take place? If not, why should it not be encouraged?

7. Are there cultural barriers that prevent female small business entrepreneurs from growing their businesses? If so, which cultural barriers and how can it be reduced or eliminated?

8. Are there family issues that prevent female small business entrepreneurs from growing their businesses? If so, which family issues and how can it be reduced or eliminated?

THANK YOU FOR YOUR TIME
ANNEXURE C: ETHICAL CLEARANCE

Ref: H-15-BES-BMa-027 [Approved]

Chairperson: Faculty RTI Committee
Faculty of Business and Economics Sciences
Tel: +27 (0)41 304 2906

25 August 2015
Prof Sandra Perks
Business Management
NMU
South Campus
Dear Prof Perks

PROJECT PROPOSAL: BEST PRACTICE STRATEGIES FOR BUSINESS GROWTH OF FEMALE MICRO BUSINESSES IN UGANDA (DOCTORAL: BUSINESS MANAGEMENT)

PRP: Prof S Perks
Pr: Ms Cl Mbida

Your above-entitled application for ethics approval served at Fac RTI.

We take pleasure in informing you that the application was approved by the Committee. However, please note that the approval is on condition that permission to conduct the study is also obtained from the other relevant individuals, parties, organisations and/or role players to which the study pertains.

The ethics clearance reference number is H-15-BES-BMa-027, and is valid for three years. Please inform the Faculty RTI Committee, via the faculty representative, if any changes (particularly in the methodology) occur during this time.

Please inform your co-investigators of the outcome.

Yours sincerely

Prof C Rootman
Faculty of Business and Economic Sciences
Dear Participant,

You are selected to participate in an academic research conducted by Cathy I Mbidde, a Ph.D. student at Nelson Mandela Metropolitan University (NMMU), Port Elizabeth, South Africa. The primary objective of this study is to identify the strategies to alleviate barriers to the business growth of female-owned small businesses in Uganda.

Please note the following:

a) The study involves an anonymous interview without name identification.

b) Your participation in this study is crucial.

c) You are free not to participate, and you may also end participating at any time without any negative consequence.

d) The face-to-face interview will not take more than 45 minutes of your time. Telephonic follow-up interviews will be held after. A concluding face-to-face interview will be conducted towards the final stage of the study.

e) Some photographs will be taken.

f) All data sourced will be kept confidential and used for research purposes only. The majority of the data will be reported in coded format, and no individual participants will be identified without their consent.

g) Please contact my promoter (Prof. Sandra Perks, +27(0)41 5041126, 0822022337, Sandra.perks@nmmu.ac.za) if you have any question or comment regarding the study.

Please sign the form to indicate that:

- You have read and understood the above information provided.
- You accept to participate in the study on a voluntary basis.

____________________  ____________
Participant’s signature  Date