

**INFLUENCE OF UWEZO FUND INITIATIVE ON THE PERFORMANCE OF SMALL AND
MEDIUM ENTERPRISES IN THIKA SUB-COUNTY (KENYA)**

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**A RESEARCH PROJECT REPORT SUBMITTED TO THE SCHOOL OF BUSINESS IN
PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE AWARD OF DEGREE IN
BACHELOR OF COMMERCE**

NOVEMBER, 2020

DECLARATION

DECLARATION

This Research Project is my original work and has not been presented for award of a bachelor degree or for any similar purpose in any other institution.

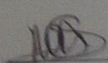
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I acknowledge the almighty God for the strength He has given me up to this far. The journey to education is not smooth but through His mercies I have seen success. I also would like to acknowledge my supervisor and friends in campus who tirelessly offered me their help whenever I got stuck. May God abundantly bless you all and do you good.

DEDICATION

I dedicate this project to my parents and siblings as a way of appreciation for supporting me financially and in prayers. Your prayers worked miracles in my four years in campus.

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ACRONYMS AND ABBREVIATIONS

SMEs: Small and Medium Enterprises

GoK: Government of Kenya

SPSS: Scientific Package for Social Sciences

GDP: Gross Domestic Product

SDGs: Sustainable Development Goals

UN: United Nations

AU: African Union

ADP: Ajira Digital Program

KKV: Kazi Kwa Vijana (Jobs to Youths)

KNBS: Kenya National Bureau of Statistics

ABSTRACT

Any economist in Kenya must acknowledge the contribution of Small and Medium enterprises (SMEs) in the economy of Kenya. They have created a lot of employment opportunities not only in the Jua Kali sector but almost all sectors of the economy. Without SMEs the Kenyan Gross Domestic Product (GDP) would be way back than it is today. However, even with their significant contribution the SMEs are going through several challenges ranging from sources of funds, competition from well-established companies and lack of managerial personnel who have right skills to steer business growth. Thanks to the government of Kenya who launched Uwezo Fund initiative in September 2013 to empower youths, women and people with disability to create self-employment. This study therefore, was to establish how Uwezo fund program is influencing the performance of SMEs. Both secondary and primary data was used and the main tool to collect primary data being questionnaire. In data analysis the Scientific Package for Social Sciences (SPSS) was used.

CHAPTER ONE: INTRODUCTION

Introduction

1.1 Background of the study

Uwezo Fund is a revolving fund set by the Government of Kenya to empower youths, women and people with disabilities to start their own businesses in groups. The program was launched on September 2013 by the President of Republic of Kenya. The initial amount set aside was Kshs 6 billion and it was to be disbursed to every constituency so that the targeted group could access the fund at the 'grass root' level. Initial maximum amount that a registered group can acquire is kshs100, 000 and repayment is to be made within two years with no interest. Upon completion of repayment, the group qualifies for double the amount they had first been issued if their business is doing well. A report by the Government of Kenya in 2016, shows that Ksh5.1Billion was approved and disbursed to groups throughout the country

Uwezo, on its own is a Swahili word, which means empowered, or having the ability to do something. It is therefore, in this context used to affirm or give hope and faith to the people that they can make it life.

The small and medium scale enterprises are very fundamental in bridging the gap between the rich and the poor in any developing country. The contribution of small and medium sized business entities towards the economic development of any country cannot be ignored. These small and medium sized enterprises contribute greatly towards creation of employment and economic growth and development. It is very evident that the government cannot create enough employment opportunities to cater for the prevailing labor market in Kenya. It is therefore prudent for the government of Kenya to empower her citizens to create employment rather than citizens waiting for employment opportunities from the government. The need for empowering

people to depend on self-employment does not only help the individuals economical but also improves the Gross Domestic Product of a country. Many summits have been conducted worldwide including summits by United Nations and Africa Union on coming up with ways to reduce poverty and empower people to be creative and become self-employed.

In the recent past, we have seen many programs being introduced in Kenya like Kazi Kwa Vijana(KKV), and Ajira Digital Programme (ADP) where youths are being trained on how they can work online and earn money. Google also started a program called Google Digital Skills for Africa to train SMEs owners on how to market their businesses online. All these moves are aimed at improving profitability or creation of new businesses. An East African Economist by the name Jibrán Qureishi urged the Kenyan government to invest more on empowering the private sector to create employment.

A report by the UN titled Kenyan Youth Employment Challenge (2013) highlighted that Kenya is among the countries fighting high levels of youth unemployment although the government has come up with policies to deal with that challenge.

The major step that was taken in Kenya to empower individuals to create self-employment was the introduction of UWEZO fund in 2013 that targeted to empower youths and women to start their own businesses and become financial independent. This move is in line with the vision 2030 which seeks to reduce the gap between the rich and the poor and make Kenya a middle income country. According to a report by KNBS in 2012, over 80% of employment opportunities in Kenya were created by SMEs and 40% of the Gross Domestic Product could also be attributed to the SMEs. It can therefore be concluded that Kenya and other developing countries cannot ignore the success of SMEs to create jobs and drive economic growth.

However, previous studies have shown mixed results concerning Uwezo fund. Some of these researchers include Kasilu (2014) who concluded that majority of the self-help group had defaulted even though there is a training before the loan is issued. According to Atembo and Nyangau (2016) the training conducted by Uwezo Fund program was key in effective utilization of the funds and they even recommended that it should be mandatory before the loan is disbursed.

It should therefore, be noted that in any country having youths who have no financial independence and unemployed can be very harmful to the economy since youths form the majority part of the work force. Prolonged financial dependency by the youths can be minimized if the youths can be provided with initial capital and guidelines on how to start their own businesses 2013 (Kamau).

1.2 Statement of the Research Problem

The rate of unemployment is not only growing in the developing countries but also in the developed countries. The entire world is focusing on poverty reduction, which is one of the SDGs. Many youths thought upon completion of their college or university studies jobs will come knocking at their doors. However, this has not been the case and many youths are currently idle at home with some of them even committing suicide due to lack of employment. A report by the World Bank in 2012 reported that Kenya produces 800, 000 individuals in the labor market annually but only 50, 000 secure professional jobs. According to Obonyo (2013), 70% of the unemployed persons in Kenya fall in the age bracket of 18-35years, which according to the 2010 constitution of Kenya are considered as youths.

By looking at the above two studies that since many youths are unemployed, they should be storming the Uwezo fund offices every day to take advantage of the loan and entrepreneurship

training offered. However, no studies that had been conducted to show how the program was influencing the SMEs funded by Uwezo fund.

1.3 Study Purpose

The main reason why this study was conducted was to establish how the Uwezo fund program is influencing the performance of Small and Medium Enterprises in Kenya.

1.4 Objectives to be achieved by the study

1.4.1 General objectives to be achieved

This study was to investigate the influence of Uwezo fund initiative on the performance of small and medium enterprises in Thika sub-county (Kenya)

1.5.2 Specific Objectives of the research study

The study was to establish if the access of Uwezo Fund loan is anyhow influencing performance of SMEs.

The study was to establish if the training offered by the Uwezo fund program has any influence on the performance of the beneficiary SMEs.

The study was to establish if the support offered to SMEs by the Uwezo fund program is influencing the performance of the beneficiary SMEs.

1.6 Hypothesis

H₀1: loan accessibility from the Uwezo Fund program does not affect the performance of SMEs in Kenya.

H₀2: the support offered to SMEs after they have received their loans has no relationship to the performance of SMEs in Kenya.

H₀₃: The entrepreneurial training offered by the Uwezo fund program has no relationship with the performance of SMEs in Kenya.

1.7 Conceptual Framework

Independent Variables

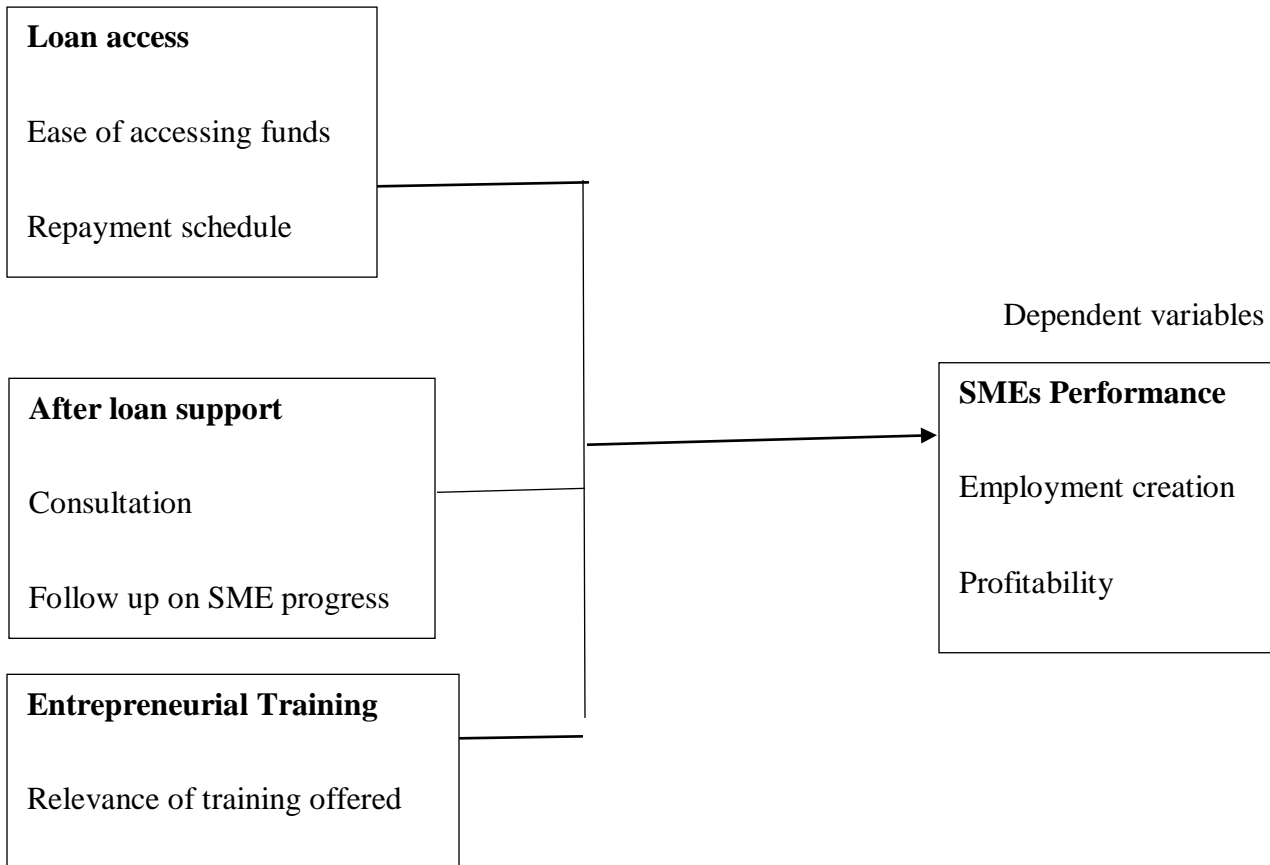


Fig 1.1: Conceptual framework of influence of Uwezo fund on performance of SMEs in Kenya; case study of Kiambu County.

Source: Author (2020)

1.8 Significance of the Study

The role played by this study was not only beneficial to the researcher's academics but also to the society of Kenya and extending to all developing nations. Some of the benefits that can be acquired from this research include.

Policy makers and economist in developing nations including Kenya will be able to determine the impact of programs like the Uwezo fund in the economy and the challenges it is facing and try to come up with more policies or programs which will benefit the SMEs to steer economic growth and reduce rate of unemployment.

Interested and potential borrowers will be able to know how Uwezo Fund can influence their performance so that they can make informed decisions when looking for capital to boost or start their businesses.

The study will also be a stepping stone to future researchers who intend to carry research in this field since they will have a picture of how things are before they go to the ground.

Academicians through this article will be able to know the advantages and disadvantages of such programs

1.9 Delimitations

The study only focused on the Uwezo Fund program despite there being other government programs in Kenya like the Ajira Digital Program and nongovernmental programs like the Google Digital Skills for Africa that also seek to empower youths to become self-employed.

1.10 Limitations

The study was conducted in Thika Sub County, which means challenges might be different from other regions of Kenya. However, Thika being an industrial area reflects a closer look of how the Uwezo Fund program is influencing SMEs in Kenya. Another limitation is that some respondents were suspicious about the intentions of the research especially defaulters. However, to counter this hindrance the researcher explained to the respondents the importance of the study to them and the government and that their identity was not to be disclosed.

1.11 Assumptions

The major assumption of the researcher in this research is that the response obtained from the respondents was true.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

2.2 Theoretical Framework

There are different theories that could have been used to support this study like the Reinforcement theory of motivation that was proposed by BF Skinner and his associates, Passive Learning Model by Jovanic 1982 and Actual Learning Model by Erickson and Pakes 1990. All these models support the idea of starting a business no matter how small it is and allow it to grow with time as you gain experience and realize the potential the business has.

Reinforcement Theory

Reinforcement theory of motivation states that individual's behavior is a function of its consequences or in other words, it is based on "law of effect", it argues that individual's behavior which is expected to have positive consequences will most likely induce the individual to repeat the behavior. However, if the behavior causes negative consequences the individual will avoid such behavior in future. This theory applies in empowering youths who have been raised in very humble background and they are struggling to have a successful life. According to this theory, people who are trying to make their ends meet will be so much willing to start their own businesses if provided with credit facilities since they do not want to end up living a poor life the way they were brought up. We can say Uwezo fund program used this theory to motivate and encourage the unemployed and poor individuals to start their own businesses so that they become financial independent.

Passive Learning Model

According to the Passive Learning Model, a firm enter the market with no knowledge of its own potential growth. However, after some time, it starts to realize that it has a great potential and the

need to expand is brought by the profits the firm is making. The argument in this model is that the owners or managers of a firm start learning about their efficiency when they have established themselves in the industry. If we relate this model to the Uwezo Fund program, we see that the whole idea was to encourage young entrepreneurs to start small but with time, they will realize that they have more potential making them to expand their activities and eventually become big companies. This model agrees with the fact that new and small enterprises have higher growth rate as compared to large companies (Stranova 2001).

Actual Learning Model

This model brings the idea that for a firm to actively explore its economic environment in order to grow even under competitive pressure the managers or owners should have formal education or training and experience. This explains why the Uwezo fund program offers training before they disburse a loan because this training will not only instill good managerial skills but also will lead to creativity on how to grow even under stiff competition of big firms.

2.3 Review of existing conceptual and empirical literature

Access to funds

Ignoring the benefits of SMEs in Kenyan economy is something no one can afford since they have created many jobs that the government could not create. However, despite all that benefits the financial institutions do not make life smooth for SMEs in times of securing loans due to lack of security (Vallary Mwenesi, 2016). According to Chao-Blasto (2017) one of the challenges SMEs are facing is limited access to funds and an article by Sandra (2017) it showed that 29% of SMEs depend on family members for financing, 21% personal saving, 15% bank loans and 13% on grants. This shows how commercial banks which are expected to offer loans play it hard for

SMEs. Another study by Dietrich (2013) stated that 40% of SMEs do not apply for loans since they believe the application will be rejected. Looking at this scenario and also having in mind that SMEs cannot rely on equity capital to expand their activities it explains why most of them do wind up their operations within three years.

Apart from loans being disapproved, other financial constraints the SMEs face include high interest rate and cost of securing a loan (Wanjohi & Mugure, 2008). Small firms exiting the market is not a surprise because they lack working capital which is very crucial for survival of any firm (Kimunyu & Omiti, 2000)

Recently we have seen the introduction of job creation initiatives like the 2jijiri initiative by KCB that has helped more than 2000 individuals since 2016.

However, we cannot conclude that availing capital to SMEs guarantees their success since some of them fail to maintain proper records which lead to spending money meant for business on personal use. Failure to keep proper records has led to many SMEs operating at a loss and eventually close down.

After loan support

According to Temtime (2014) having enough capital does not guarantee business success which explains why most SMEs exit the market after their third year of operation because they depend on family members who are unskilled to advise them on how a business should be operated. According to Temtime, (2002) a good strategy can help a small firm to survive even under stiff competition from big firms. According to Vallary Mwenesi (2016), lack of proper support and guidance has made many SMEs to use the firm's income for personal use instead of investment. A report by Google Digital Skills Africa (2017) revealed that SMEs can improve on performance

and profitability if they can get proper support. This report was released after google had educated SMEs on how to market themselves online.

Entrepreneurial training

The management of any organization is responsible for ensuring the goals, vision and mission of the firm are followed. This requires a lot of skills and creativity but does not necessarily mean formal education. A report by a UK based firm (K U B Ltd) in 2017 stated that SMEs do not require academic qualification but the right skills to succeed. According to Vallary Mwenesi (2016), SMEs lack management skills causing some managers to use the firm's income for personal use instead of investment. This does not mean that entrepreneurs are born but those who lack managerial skills can go through an outdoor training and become successful in business. According to Temtime, (2002) even though it is difficult to measure what constitute good managerial skills but having a good strategy is one of them. Many SMEs today are failing not because the owner did not go for higher studies but because they lack the right strategy. There is no strategy that can be applied to all businesses and therefore it is impossible to teach right strategies for business success in school hence SMEs too should come up with proper strategies and hire people with the right skills if they have to. Decision making process in SMEs revolves around the like and preferences of the owners hence poor decision or strategy by them results to business failure.

According to Temtime (2014) most SMEs exit the market after their third year of operation because they depend on family members who are unskilled to run the firm. Poor management skills may result to over relying on few customers and diminishing profit. According to the chairperson of KCB 2jiajiri initiative, all individuals who are to benefit from the initiative are

supposed to attend a 6-12months training so that they acquire the right skills to run a business. This shows that managerial skills are key for the success of any business and that is why the Uwezo fund program offers training to the beneficiaries before they are issued with a loan.

2.4 Summary of research gaps

VARIABLES	ARTICLE AUTHER	FINDINGS	RESEARCH GAP
Loan accessibility	Dietrich (2013)	SMEs do not apply for loans from financial institutions because they believe the loan will not be approved due to the requirements the banks demand.	The article does not talk about job creation programs who acknowledge the fact that borrowers have no bank statements and financial statements but yet the program aim to empower them.
	Wanjohi & Mugure, 2008	SMEs find it hard to apply for credit due to high interest charged by financial institution on the loans they borrow	Uwezo fund does not charge any interest but the SMEs are only required to repay the amount of money were given as a loan with no interest on top.
	Chao-Blasto (2017)	One of the challenges SMEs is facing is limited access to funds since no creditor believe on the potential SMEs have to lend them	Uwezo fund believes on the potential of SMEs and is encouraging SMEs to go for loans
After loan	Google Digital	SMEs reported increased profit after	Google offered only marketing

support	skills report (2017)	the training on how to market their businesses	skills but that is not the only support SMEs require to survive
Entrepreneurial Training	Temtime (2014)	SMEs depend on family members to run the business, which in most cases is the cause for business failure since some of the family members are unskilled.	This is just a general study and may not be the case with SMEs benefiting from Uwezo fund program since it gives loan to a registered group and not an individual thus it will be difficult to let the business be ruined by a family member of one of the group members
	Mwenesi (2016)	Owners and managers of SMEs lack managerial skills making them to use the business income for personal use instead of investment	The study shows a general result of SMEs which may not be the case with SMEs funded by Uwezo fund since the owners go through a training before they are offered the loan

Table 2.1 summary of research gaps of influence of Uwezo fund on performance of SMEs in Kenya; case study of Kiambu County.

CHAPTER THREE: RESEARCH METHODOLOGY

Introduction

In this chapter, what was tackled by the researcher include description of the methods used in the research study. Other things which were discussed include: research design, study area, target population, sampling techniques, sample size, research instruments, data collection techniques, data analysis and ethical considerations.

3.1 Research Design

There are several research design, which can be used in a research study to obtain answers concerning the research question at hand. A research design is a plan used to give answers to research questions Mugenda & mugenda, (2014). In this study, both descriptive and inferential statistics were used in order to have a depth analysis of the relationship between the independent variables and the dependent variable. Both primary and secondary data were used in order to achieve the required information and target. This study being a survey, data collection was mainly through questionnaires to the selected sample of SMEs as proposed by Mugenda & Mugenda (2014)

3.2 Study Area

The location where this study was conducted is Komu ward in Thika Sub County (Kenya) because it is an industrial area and contains many SMEs just like other urban centers in Kenya. The results obtained therefore closely reflected the situation of other urban centers in Kenya.

3.3 Target Population

Population is the total elements that have the desired characteristics a researcher is looking for to conduct a study, (Mugenda & Mugenda, 2014). The target population in this study consisted of 436 registered SMEs in Komu ward (Thika sub County- Kenya).

3.4 Sampling Techniques

Sampling is the process of coming up with a representative part or a fraction of a whole population in order to predict the behavior of the entire population (Kisilu and Tromp, 2011) the sample is always assumed to have similar attributes as the rest of the population. The sampling technique that was used in this study is random sampling in order to give all the members of the population equal chance of being selected.

3.5 Sample Size

As the targeted population was too big, the researcher did not study the whole of it but a sample was used to represent the whole population. A sample is an intentional selected smaller group of a targeted population (Mugenda Mugenda, 2014). A sample of 45 SMEs was used out of the registered SMEs in Komu ward. How the 45 SMEs were arrived at is according to Orodho (2014) who suggested that a sample of at least 10% can be used to represent the entire population under study.

3.6 Measurement of Variables

Variables	Measures/indicators	Measurement scale	Question number
Loan accessibility	Ease of accessing fund	Ordinal	11, 12 & 13
	Repayment schedule	Scale	
After loan	Consultation	Ordinal	17, 18 & 19

support	Follow up on SMEs progress	Scale	
Training	Relevance of training	Scale	15 & 16
SME Performance	Profitability	Scale	9, 10 & 11
	Employment creation	Ordinal	

Table 3.1 measures of variables of influence of Uwezo fund on performance of SMEs in Kenya; case study of Kiambu County.

3.7 Research Instruments

These are tools used to obtain data of a research subject. In this study, the main instruments of research that were used are questionnaires and other secondary materials of data. The questionnaires had open ended and closed ended questions that were key in proving the hypothesis right or wrong. Questionnaires were primarily used because they are capable of obtaining a lot of information from different respondents within a short period.

3.8 Validity of Measurements

Validity of measures refers to the extent at which the measures of a research study are capable of giving a relevant result of what they were intended to measure. In this study case, criterion and content validity were used so that to obtain the opinions and attitude of people towards Uwezo fund program and also determine the relationship between Uwezo fund and the growth of SMEs in Kenya.

3.9. Reliability of Measurements

Reliability of measurement seeks to determine how consistent the measurement is. Can the measurement give the same results if it is used again and again? The study considered Test-retest to determine the reliability of the measurement. The Test-retest was preferred because the measures had been used over and over again as indicators of the variables.

3.10 Data Collection Techniques

According to Kombo and Tromp (2006) data collection refers to gathering of information in order to prove some facts. In this study, secondary data was collected from published government reports, reliable internet sites, journals and newspapers. On the other hand, data collection techniques that was used in collecting primary data were questionnaires. The respondents were given time to fill in the answers and in case they needed any assistance the researcher was ready to offer.

3.11 Data Analysis

The main aim of data analysis is to assess the relationship between the independent and dependent variables and try to provide answers to the questions of the study (Bryman & Cramer 1997). Data analysis is an important aspect since if data is collected and not analyzed no decisions can be made. The data was first coded then analyzed using a model, graphs and tables with short text summery. This was to ensure readers and users of the research findings are able to understand it easily. Statistical package for social science (SPSS) was also used to assist in analyzing the data. The model that was used is

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Where Y = SMEs performance (dependent variable)

α = Constant

β_1 = proxy (coefficient) for loan accessibility

β_2 = proxy (coefficient) for after loan support

β_3 = proxy (coefficient) for Training

X_1 = Loan accessibility

X_2 = after loan support

X_3 = Training

3.12 Logistical and Ethical Considerations

i) Ethical issues

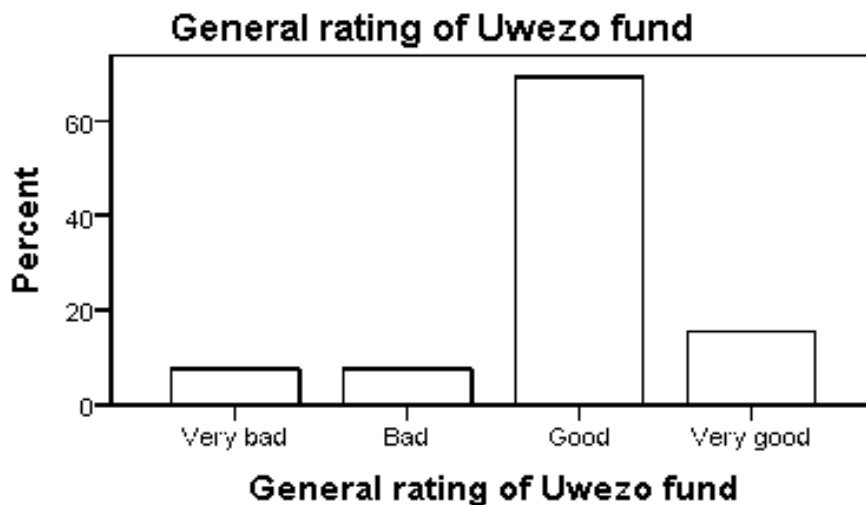
- Names of respondents were not disclosed and instead codes were used to represent their names.
- Feedback of the respondents was not tampered with or changed for the interest of the researcher.
- No particular respondent was forced to give answers where he/she was not willing to answer.
- Authority from Greta University to conduct the research was sought.

CHAPTER FOUR: FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter entails the research findings, interpretation and explanation of the study findings in the same manner the three hypotheses are stated in chapter one. Analysis was done from data obtained from respondents and there was 100% return of questionnaires.

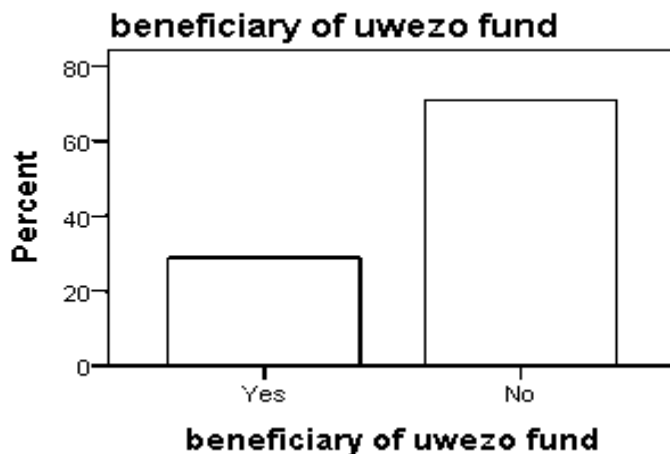
4.2 Overview of research findings



The researcher collected data from 45 respondents and their opinion about Uwezo fund is as shown above. Majority believed Uwezo fund program is still yet to achieve its goals seven years since it was launched. Some of the reasons respondents gave that can explain why Uwezo fund is yet to accomplish its goals include corruption and strict requirement. Some respondents believed it is difficult to come with a group with same interests while others said some people are disqualified due to age or do not have any disability. However, most respondents believed the Uwezo fund program is a good initiative which can grow the economy of many individuals who are currently unemployed.

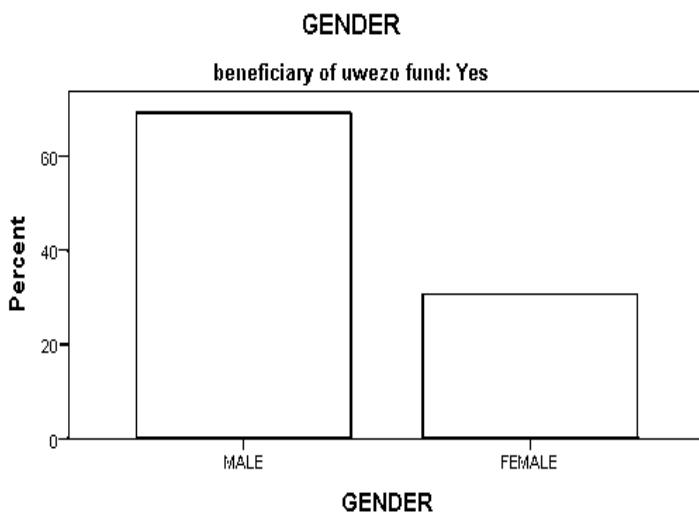
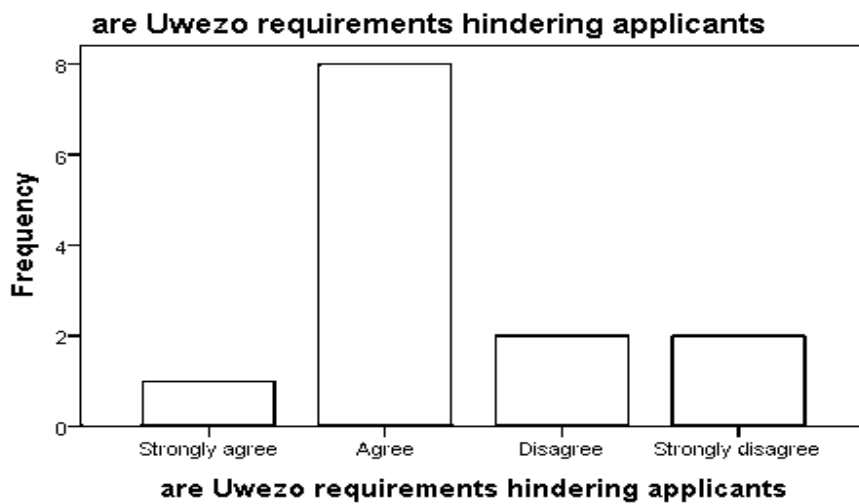
4.3 Loan access

4.3.1 Rate at which Uwezo fund is helping SMEs



A sample of 45 respondents was used and since 2013 when the program was launched only 13 (28.9%) of SMEs in the targeted area had benefited from the initiative. This shows that there is some positive coming out of it and it should not be forgotten the program was started to eradicate poverty. However, seven years from 2013 the government of Kenya and policy makers cannot just relax for that speck of achievement since the number of unemployment in Kenya is still rising each day. Some respondents said they had never tried to apply while others claimed that

they applied for the loan and others claiming they gave out all requirements but still did not get the funding. The low number of beneficiaries according to respondents could be attributed to corruption, tedious process and lack of continuous publicity to remind people the existence of Uwezo fund. Most of the respondent even believed the requirements of Uwezo fund are very strict and hinder many applicants from accessing the funds as shown on the chart below.



The goal of Uwezo fund is to empower youths, women and people with disability economically. This study as shown above clearly proves that Uwezo fund program is moving towards its desired goal since both men and women have benefited from the program. However, the mere fact women were given a priority to benefit and also the number of women in Kenya is higher than the number of males, it is so astonishing that still number of males who benefited from the program is much higher (70%) than the number of females (30%). The difference is so big and policy makers should look unto it and come up with better recommendations to benefit more women.

4.3.3 years of operations since benefiting from first loan



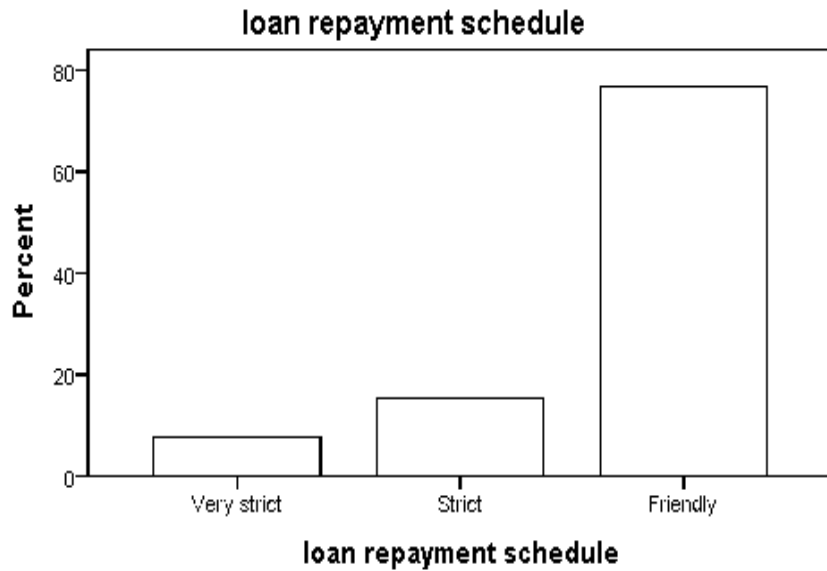
This research revealed that more SMEs benefited from the program on the early years of the program. However, a decline in the number of beneficiaries has been experienced in the last two years. According to some respondents they blamed corruption on the committee involved in disbursing money, while others said the entire process is tedious and make many applicants get demoralized halfway. All the blame however cannot be pointed to Uwezo fund committee because a tedious process is much better than staying at home jobless.

4.3.4 Relationship between loan repayment and business performance

		loan repayment schedule	general business performance
loan repayment schedule	Pearson Correlation	1	.576*
	Sig. (2-tailed)		.040
	N	13	13
general business performance	Pearson Correlation	.576*	1
	Sig. (2-tailed)	.040	
	N	13	45

*. Correlation is significant at the 0.05 level (2-tailed).

A loan is an expense like any other business expense and if a firm faces any constraint in repaying its loan most of the time it means the business is not doing well. A firm should therefore acquire a loan which does not charge a higher interest and its payment schedule is not strict. This research revealed that there was a strong positive correlation of 0.57 proving that the loan payment schedule was not strict. Most of the respondents said that the loan payment schedule for Uwezo fund was friendly as shown below.



However, despite the friendly loan repayment schedule still the number of beneficiaries is too low to convince that the SMEs performance is highly influenced by Uwezo fund. Both regression and correlation were used and rejected the null hypotheses that loan accessibility from the Uwezo Fund program does not affect the performance of SMEs in Kenya even though the relationship was weak and negative.

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	1.472	1	1.472	2.999	.090 ^b
1 Residual	21.106	43	.491		
Total	22.578	44			

a. Dependent Variable: general business performance

b. Predictors: (Constant), beneficiary of Uwezo fund

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.861	.408		9.465	.000
1	beneficiary of Uwezo fund	-.399	.230	-.255	-1.732	.090

a. Dependent Variable: general business performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.255 ^a	.065	.043	.70059

a. Predictors: (Constant), beneficiary of Uwezo fund

		general business performance	beneficiary of uwezo fund
general business performance	Pearson Correlation	1	-.255
	Sig. (2-tailed)		.090
	N	45	45
beneficiary of uwezo fund	Pearson Correlation	-.255	1
	Sig. (2-tailed)	.090	
	N	45	45

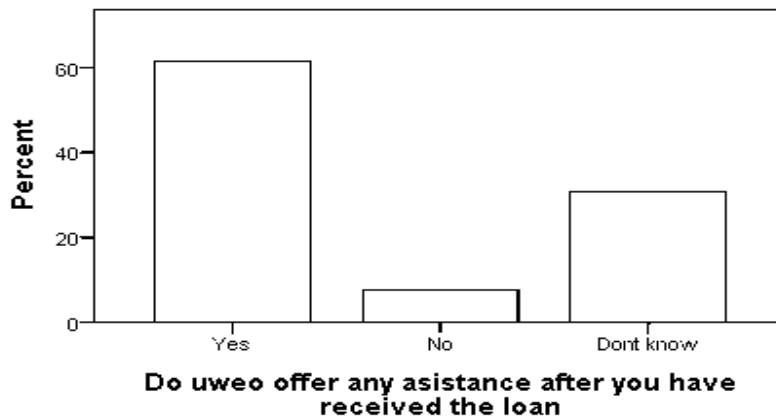
4.4 After loan support

SMEs require a lot of support in their early stages and this is why Google came up with their program to help SMEs to market themselves online. According to the chairman of 2jjajiri program of KCB there is a committee to monitor how their beneficiaries are progressing for up to two years. This research revealed there was a positive correlation between the support given by Uwezo fund staff after loan and the performance of the business thus the null hypotheses which states that the support offered to SMEs after they have received their loans has no relationship to the performance of SMEs in Kenya is rejected.

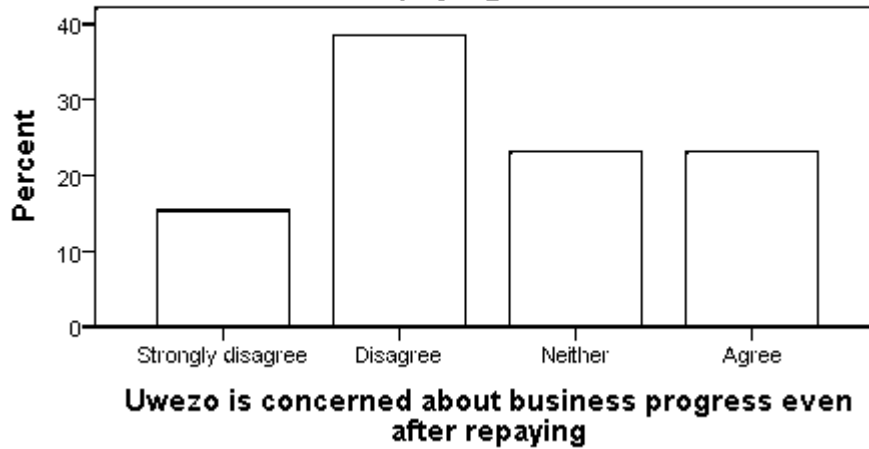
		general business performance	Do Uwezo offer any assistance after you have received the loan
general business performance	Pearson Correlation	1	.176
	Sig. (2-tailed)		.565
	N	45	13
Do Uwezo offer any assistance after you have received the loan	Pearson Correlation	.176	1
	Sig. (2-tailed)	.565	
	N	13	13

Further patterns and trends on the after loan support were revealed as shown below.

Do uweo offer any asistance after you have received the loan

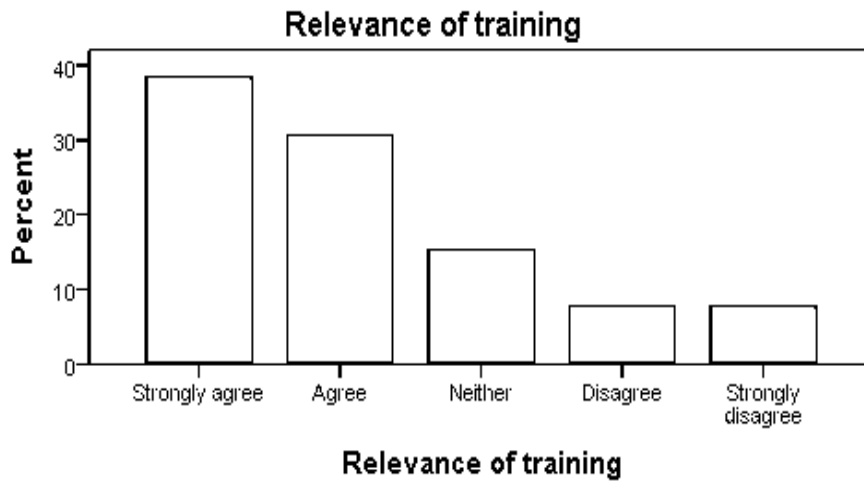


Uwezo is concerned about business progress even after repaying



Most of the respondents agreed that the Uwezo fund program is giving enough support to make the business run well after the loan has been disbursed however, after the firm has cleared the loan the Uwezo fund staff show no concern of how the business is progressing. This maybe be attributed to the fact that there are no enough personnel to look at each business how it is progressing and at the same time attend to new requests. Although that is a valid reason the truth is that not all businesses will need support the same time thus the Uwezo staff can visit each business even if it is once per month to see the progress of the business to avoid the scenario that after firms have cleared their loans they then fail to survive having in mind research shows that many SMEs wind up within five years of operations.

4.5 Entrepreneurial training



According to Vallary Mwenesi (2016), entrepreneurs are not born but those who lack managerial skills can go through an outdoor training and become successful in business. Uwezo fund program offers some training too before disbursing a loan and this research wanted to find out if the training was helpful in the business performance. The data collected revealed that most respondents agreed that the training was very relevant in running their business successful. According to Temtime, (2002) even though it is difficult to measure what constitute good managerial skills but having a good strategy is one of them. The reason why Uwezo decided to offer training can be based on this argument and the training has bared some fruits since there is a positive correlation between relevance of training and general business performance. This study is in agreement with the writings of (K U B Ltd) in 2017 which stated that SMEs do not require academic qualification but the right skills to succeed. According to the correlation obtained in this study of positive 0.217 it can thus be used to reject the null hypotheses which states that the entrepreneurial skills offered by the Uwezo fund program have no relationship with the performance of SMEs in Kenya.

		Relevance of training	general business performance
Relevance of training	Pearson Correlation	1	.217
	Sig. (2-tailed)		.477
	N	13	13
general business performance	Pearson Correlation	.217	1
	Sig. (2-tailed)	.477	
	N	13	45

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

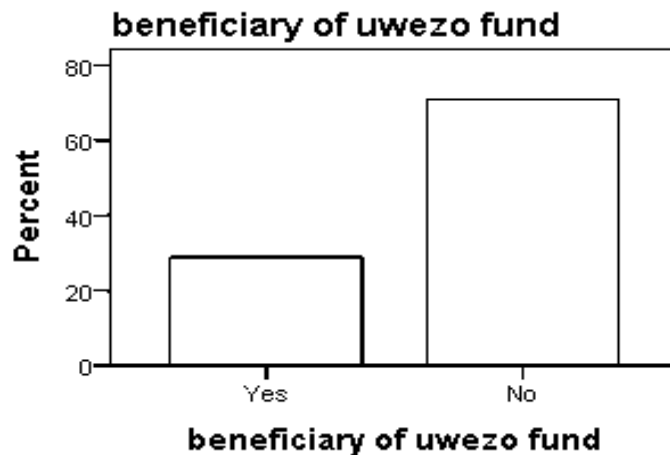
5.1 Introduction

This chapter contains a summary of the major findings and their implication. It also contains some recommendations to policy makers and other stakeholders on what they can do to improve the Uwezo fund program in order to accomplish what it was intended to.

5.2 Summary

5.2.1 Summary of the major findings

1. Does the access of Uwezo Fund loan anyhow influence performance of SMEs?



Since the launching of Uwezo fund in 2013 the number of beneficiaries who have been able to access the Uwezo fund is still very low and it stands at 28.9% of the total SMEs. This low number of beneficiaries show that there is a very little influence of Uwezo fund on the performance of SMEs this can further be proved by the presence of a weak correlation of negative 0.2.

2. Is the support offered to SMEs by the Uwezo fund program influencing the performance of the beneficiary SMEs?

		general business performance	Do Uwezo offer any assistance after you have received the loan
general business performance	Pearson Correlation	1	.176
	Sig. (2-tailed)		.565
	N	45	13
Do Uwezo offer any assistance after you have received the loan	Pearson Correlation	.176	1
	Sig. (2-tailed)	.565	
	N	13	13

60% of beneficiary respondents agreed that they receive support from Uwezo fund staff even after they have been issued with the loan and when a correlation was done to find out any relationship they result obtained were a positive 0.176. Therefore, despite the weak relationship it can be said that the support offered by Uwezo fund has an influence on the performance of beneficiary SMEs.

3. Is the training offered by Uwezo fund program influencing the performance of the beneficiary SMEs?

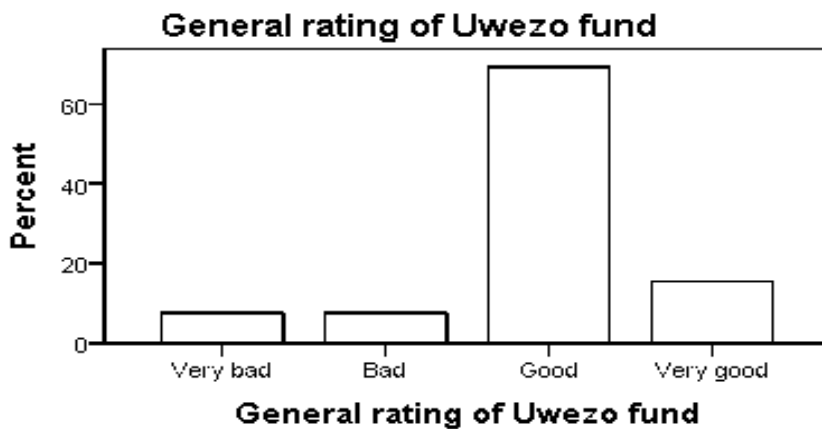
		Relevance of training	general business performance
Relevance of training	Pearson Correlation	1	.217
	Sig. (2-tailed)		.477
	N	13	13
general business performance	Pearson Correlation	.217	1
	Sig. (2-tailed)	.477	
	N	13	45

Among those who have benefited from Uwezo fund, 38% of them strongly agreed that the training that they were offered is relevant in running their business successful while 30% more also agree that the training was relevant. There was a positive correlation of positive 0.217 which proved that the training offered by Uwezo fund program influence the performance of the beneficiary SMEs?

5.2.2 Summery of other findings



Another thing that this research revealed is that there is a reduction in the new beneficiaries of Uwezo fund.



The Data revealed that Uwezo fund program is yet to achieve its goals seven years since it was launched. However, most respondents believed the Uwezo fund program is a good initiative which can grow them economical

5.3 Conclusion

5.3.1 Conclusion for major findings

i) The low number of beneficiaries since 2013 means that there is a problem or some hindrance in accessing Uwezo fund since this loan does not charge any interest it should have attracted many people. It should be noted that the fund was to economically empower the marginalized

groups thus if they cannot access the fund they will continue to be poor and the nation will not be able to fight poverty which is among the vision 2030 objectives.

ii) The support Uwezo fund staff offer to the beneficiaries is helping the SMEs to perform well and thus if an extra support can be given to them the SMEs can do even better. The better these SMEs perform the less the rate of unemployment will be experienced in Kenya. This is because these SMEs create job opportunities to Kenyans.

iii) The success of some of the SMEs which have benefitted from Uwezo fund can be attributed to the training they are offered however, not all respondent agreed the training was relevant to successfully run the business.

5.3.2 Conclusion for the other findings

In the recent years there has been a reduction in the number of beneficiaries as compared to when the campaign was launched. If this trend continues it means in near future, there might be zero new beneficiaries of Uwezo fund which simple means Kenya will be still struggling to come out of poverty and unemployment problem.

Through the research it was also concluded that Uwezo fund is still far from achieving its goals which is very dangerous to the economy of Kenya having in mind there is money pumped in the program every financial year hence a failure in Uwezo fund can be a great loss to Kenya through losses, transaction costs and other petty expenses.

Lastly through the study it can be concluded that Kenyans like Uwezo fund and they believe it can steer them economical and become self-reliant on financial matters.

5.4 Recommendations for policy or practice

- 1) The Uwezo fund committee should review the qualifications and come up with activities that will enable many people to access the funds.
- 2) More support should be given to SMEs who benefit from the fund even after they have completed paying their loans. This will help more SMEs to survive hence more job opportunities created.
- 3) The beneficiaries should undergo training according to the nature of their business so that all of them can benefit from the training.

5.5 Recommendations for further research

The study recommends further research to be conducted to explain why there is a low number of female beneficiaries as compared to males yet the program was to benefit women, youths and people with disability.

Another study can also be conducted to determine if the people with disability are benefiting from the program as it was intended.

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APPENDICES

Appendix A: Questionnaire General information

1) Gender

Male Female Intersex

2) What is your age bracket in years?

18-25 () 26-35 () 36-40 () Over 40 ()

3) What is your highest level of education?

Primary () Secondary () Collage ()

University () Never been to School ()

4) How long have you been in operation?

Years

Months

5) How can you rate your business performance?

Excellent Good Moderate Poor Very poor

6) Have you ever benefitted from Uwezo Fund program?

Yes No

7) Do you believe since Uwezo Fund was introduced is satisfactory transforming people economical the way it was intended?

Strongly agree () Agree () Neither () Disagree () Strongly disagree ()

8) What can you recommend to better the Uwezo fund initiative?

.....
.....
.....
.....

This part is for UWEZO FUND BENEFICIARIES ONLY

Performance

9) How long have you been in operation since benefiting from your first loan?

Years

Months

10) Since benefiting from the loan do you believe it has helped you to make savings and other investments?

Strongly agree () Agree () Neither () Disagree () Strongly disagree ()

11) In the next five (5) years how many people do you expect to employ?

Section C: Loan access

12) How many times have you benefited from Uwezo fund?

Yes No Don't know

18) Uwezo program is concerned on how your business is progressing even after paying?

Strongly agree () Agree () Don't know () Disagree () Strongly disagree ()

19) How do you rate the Uwezo fund program in general?

Very Good Good Moderate Bad Very bad

Appendix B: WORK PLAN

ACTIVITY	Time
Proposal Development	Sept 2019 to Feb 2020
Data Collection	April 2020
Project Writing	June 2020
Project presentation	November 2020
Compiling & submitting final report	December 2020

Appendix C: BUDGET

Item	Amount in Kshs
Transport	1,000/=
Typing, printing, photocopy and binding	7,000/=
Internet access	7,000/=
Communication (airtime)	1,500/=
Miscellaneous	3,000/=
Total	19,500/=