

**ACCESSING SMALL BUSINESS
SUPPORT PROGRAMMES IN MASERU,
LESOTHO**

by

Azael Limpho Monese

A field study submitted to the UFS Business School in the Faculty of
Economics and Management Sciences in partial fulfilment of the
requirements for the degree of

**Magister
in
Business Administration
at the
University of the Free State**

Supervisor: Mr Laurance Beder

21 November 2022

Bloemfontein

TABLE OF CONTENTS

<u>LIST OF FIGURES.....</u>	<u>V</u>
<u>LIST OF TABLES.....</u>	<u>VI</u>
<u>ABBREVIATIONS LIST</u>	<u>VII</u>
<u>DECLARATION</u>	<u>VIII</u>
<u>ACKNOWLEDGEMENTS.....</u>	<u>IX</u>
<u>CHAPTER 1</u>	<u>1</u>
1.1 INTRODUCTION.....	1
1.2 BACKGROUND	2
1.3 PROBLEM STATEMENT AND BACKGROUND	5
1.3.1 PROBLEM STATEMENT.....	5
1.3.2 STUDY QUESTIONS.....	6
1.4 STUDY OBJECTIVES	6
1.4.1 PRIMARY OBJECTIVE.....	6
1.4.2 SECONDARY OBJECTIVES	7
1.5 RESEARCH DESIGN AND METHODOLOGY.....	7
1.5.1 RESEARCH DESIGN	7
1.5.2 SAMPLING STRATEGY	7
1.5.3 METHOD OF DATA COLLECTION	7
1.5.4 DATA ANALYSIS	8
1.5.5 ETHICAL CONSIDERATION	8
1.6 STUDY DEMARCATION.....	10
1.7 STUDY CHAPTER LAYOUT	10
1.8 CONCLUSION.....	10
<u>CHAPTER 2</u>	<u>12</u>
<u>LITERATURE REVIEW.....</u>	<u>12</u>
2.1 INTRODUCTION.....	12

2.2 SME'S DEFINITIONS	12
1.1.1 DEVELOPING COUNTRIES	12
2.2.1 DEVELOPED COUNTRIES.....	15
2.2.2 INSTITUTIONAL	15
2.3 SMALL BUSINESS SUPPORT	16
2.4 MOSTLY USED FORMS OF SUPPORT	16
2.4.1 LOANS	16
2.4.2 TAX BENEFIT	16
2.4.3 GRANT.....	17
2.4.4 TRAINING.....	18
2.5 SMEs' CHALLENGES	19
2.6 SMALL BUSINESS DEVELOPMENT MECHANISMS IN LESOTHO	21
2.6.1 ENTREPRENEURIAL TRAINING	21
2.6.2 INNOVATION AND TECHNOLOGICAL DEVELOPMENT	21
2.6.3 MARKET ACCESS.....	22
2.6.4 INFRASTRUCTURAL DEVELOPMENT.....	22
2.7 POLICY INTERVENTIONS	23
2.8 SUPPORT PROGRAMME NEEDS AND AWARENESS	25
2.8.1 DEVELOPING COUNTRIES	25
2.8.2 DEVELOPED COUNTRIES.....	27
2.9 BARRIERS TO SUPPORT PROGRAMMES ACCESS	28
2.10 WHY DO SMALL BUSINESSES FAIL?	29
2.11 ROLE OF SMALL BUSINESSES ON THE ECONOMY	29
2.12 CONCLUSION	31

CHAPTER 3.....32

RESEARCH METHODOLOGY.....32

3.1 INTRODUCTION	32
3.2 RESEARCH DESIGN	32
3.2.1 RESEARCH PARADIGM.....	32
3.3 SAMPLING STRATEGY	33
3.3.1 SAMPLING DESIGN	34
3.3.2 SAMPLE SIZE.....	34
3.4 DATA COLLECTION	34
3.4.1 BIOGRAPHICAL QUESTIONS	35

3.4.2	SMALL BUSINESS SUPPORT PROGRAMME QUESTIONS.....	36
3.5	DATA ANALYSIS.....	36
3.6	ETHICAL CONSIDERATIONS	36
3.6.1	STUDY AUTHORISATION	37
3.6.2	OBJECTIVES.....	37
3.6.3	CONFIDENTIALITY.....	38
3.6.4	INFORMED CONSENT / NON-COERCION.....	38
3.7	CONCLUSION.....	39
 CHAPTER 4.....		40
 DATA ANALYSIS AND INTERPRETATIONS.....		40
4.1	INTRODUCTION.....	40
4.2	DEMOGRAPHICS VARIABLES	40
4.3	CROSSTABS WITH DEMOGRAPHICS VS TYPES OF BUSINESS SUPPORT PROGRAMME	46
4.4	CROSSTAB WITH DEMOGRAPHICS VS INFORMATION PLATFORM	61
4.5	CONCLUSION.....	62
 CHAPTER 5.....		63
 CONCLUSIONS AND RECOMMENDATIONS		63
5.1	INTRODUCTION.....	63
5.2	RESEARCH CONCLUSIONS.....	63
5.3	RESEARCH RECOMMENDATIONS.....	64
5.4	LIMITATIONS OF THE STUDY.....	65
5.5	CONCLUSION.....	66
 REFERENCES		67
 APPENDIX A.....		79

LIST OF FIGURES

- Figure 1: Ownership
- Figure 2: Gender
- Figure 3: Age
- Figure 4: Qualification
- Figure 5: Duration of business operation
- Figure 6: Industry
- Figure 7: Awareness of small business support programmes
- Figure 8a: Barrier that stopped small business owners from attempting to access business assistance
- Figure 8b: Barrier that stopped small business owners from attempting to access business assistance
- Figure 9: Type of assistance owners need for their business
- Figure 10: Institutions where business owners requested support/assistance
- Figure 11: Illustrates answers of participants in relation to what was the barrier which resulted in them being unsuccessful in acquiring assistance
- Figure 12: Reasons why business support was needed
- Figure 13: Was there an increase/decrease in sales after being provided with business assistance
- Figure 14: Participant view of the best support or assistance to businesses
- Figure 15: Illustrates which platform business owners are likely to get information about the support programme

LIST OF TABLES

Table 2.1:	Classification and Definitions of Enterprises in South Africa
Table 2.2:	Classification and Definitions of Enterprises by size
Table 2.3:	Multilateral Institutions SMEs Definitions
Table 4.1:	Demographic variables
Table 4.2:	Knowledge about support institution/programme
Table 4.3:	Relationship between business ownership and awareness about support programmes
Table 4.4:	Relationship between gender and awareness about support programmes
Table 4.5:	Qualification vs knowledge about support programmes
Table 4.6:	Industry vs support institution
Table 4.7:	Attempt to access business support programme
Table 4.8:	Barriers
Table: 4.9:	Type of assistance owners needed for their business
Table 4.10:	Institutions where business owners requested support/assistance
Table 4.11:	Institutions vs Type of assistance
Table 4.12:	Unsuccessful attempt when seeking business support programme
Table 4.13:	Barrier in acquiring support/assistance (Answered Yes, to Question 13)
Table 4.14:	One-Sample Wilcoxon Test (Barrier) unsuccessful
Table 4.15:	Illustrates reasons why business support was needed
Table 4.16:	Effects of a support programme on small businesses
Table 4.17:	One-sample Wilcoxon Sign Test on effects of support on small businesses
Table 4.18:	Business support received (yes/no)
Table 4.19:	Was there an increase/decrease in sales/employment after being provided with business assistance?
Table 4.20:	One-sample Wilcoxon Signed Rank Test best support programme
Table 4.21:	Illustrates which platform business owners are likely to get information about the support programme
Table 4.22:	Gender vs platform likely to be preferred for information
Table 4.23:	Age vs platform likely to be preferred for information
Table 4.24:	Qualification vs platform likely to be preferred for information

ABBREVIATIONS LIST

BEDCO:	Basotho Enterprise Development Corporation
CEDA:	Citizen Entrepreneurial Development Agency
COSC:	Cambridge Overseas School Certificate
GDP:	Gross Domestic Product
LaRRI:	Labour Resources and Research Institution
LCC:	Lesotho Chamber of Commerce
LNDC:	Lesotho National Development Cooperation
MSME:	Micro, Small, and Medium Enterprise
NEPRU:	National Economic Policy Research Unit
OECD:	Organisation for Economic Cooperation and Development
SACU:	Southern African Customs Union
SADP:	Smallholder Agricultural Development Project
SBP:	Small Business Administration
SDG:	Sustainable Development Goals
SME:	Small and Medium Enterprise
SMS:	Short Message Service
SPSS:	Statistical Package for the Social Sciences
UFS:	University of the Free State
WOM:	Word of Mouth

Declaration

I declare that the field study hereby submitted for the Magister in Business Administration at the UFS Business School, University of the Free State, is my independent work. It has not previously been submitted, either as a whole or in part, for a qualification at another university or another faculty at this university. I also hereby cede the copyright of this work to the University of the Free State.

Signed: _____

Date: _____

Acknowledgements

First of all, I take this opportunity to thank God Almighty for giving me enough strength until the last day of my studies. Second, I would like to thank the following people for making this journey meaningful and easier in some way: my favourite person and wife, Malintle Monese, for permitting me to spend a considerable number of hours away from her and for encouraging me to the finish line while she takes care of our family; my loving mother for instilling a love of learning in me by providing me with a chance to study from an early age; my daughter, Lintle Monese, for not complaining while I could not be there to play with her; and my supervisor, Mr. Laurance Beder, for his guidance and patience.

Thank you to my language editor, Anneke-Jean Diesel. Thank you for all your effort and for ensuring that every line in this field study adheres to current academic English writing. I cannot conclude this before thanking the Independent Electoral Commission for allowing me to further my studies while I am still working for it. Lastly, I want to express my gratitude to everyone else who helped with this paper in some way or another.

Chapter 1

1.1 Introduction

The terms *small and medium enterprise (SME)* and *entrepreneurship* were developed in the late 1940s. In developing these terms, policies emerged that included grants, subsidised credits, and special taxes for SMEs. It also included the establishment of small business support agencies funded by governments for the benefit of SMEs. The agencies were established in Japan, the United States of America (USA), India, Tanzania and Turkey in 1948, 1953, 1954, 1966, and 1976, respectively (Keskin *et al.*, 2010, p. 189).

According to the Organisation for Economic Cooperation and Development (OECD), SMEs are essential participants in the economy and the broader business ecosystem (OECD, 2022, p. 19). SMEs play a critical role in achieving the Sustainable Development Goals (SDGs) by promoting inclusive and sustainable economic growth, providing employment and decent work for all, promoting sustainable industrialisation and fostering innovation, and reducing income inequalities across countries at all stages of development (OECD, 2017, p. 8).

In 2016, the government of Lesotho developed the Micro, Small, and Medium Enterprises (MSME) policy, aiming to address the issues and problems affecting the development of MSME in Lesotho (Masupha, Beharry-Ramraj and Amolo, 2017, p. 7). The policy identified challenges to MSMEs as access to finance, market access, technological development and innovation, entrepreneurial training, skills development, infrastructural development, and business working space (Molebatsi, 2021, p. 20).

Therefore, this study aimed to evaluate the small business support programmes in Maseru, Lesotho, by establishing the types of small business support programmes available, determining the barriers for small businesses to access the SMEs support programmes, and lastly, determining what needs to be done to improve existing small business support programmes to ensure that they address SME challenges.

1.2 Background

Many people across the globe struggle to enter the entrepreneurial world successfully. Many entrepreneurs do not know how to change their small enterprises into established businesses. The One-Stop Business Facilitation Centre was a government initiative to simplify business registration in Lesotho (Government of Lesotho, 2008, p. 19). This centre is committed to ensuring that businesses operate in a levelled environment where it is easy for them to conduct their operations. The One-Stop Business Facilitation Centre comprises officers from the following organisations:

- Lesotho Revenue Authority
- The Ministry of Trade and Industry
- The Ministry of Labour and Employment
- The Ministry of Home Affairs

It offers services such as import and export permits, export visas, small-scale manufacturing and manufacturing trading licenses, work and residence permits, and company registration. It also houses the Southern African Customs Union (SACU) national body.

The Trading Enterprises Regulations (1999) stipulate that certain business categories are restricted to Lesotho nationals only. Subsequently, licenses and activities of this nature are not transferrable to foreign nationals. According to the Ministry of Trade and Industry, there are 32 671 registered companies in Lesotho. Nevertheless, merely almost half of this number (15 949 companies) are still active. There is no certainty about what happened to the 16 722 inactive companies. Also, only 14% of people under the age of 30 own a business, implying a significant gap in opportunities and incentives for young people to become entrepreneurs (Mpaki, 2017, para. 3).

Small businesses are those businesses that employ less than ten employees and whose production is on a small scale. The majority of small businesses (SMEs) are survivalists with limited opportunities for growth and expansion (FinScope, 2016, p. 9). Micro-enterprises heavily dominate the economy. Micro-enterprises are businesses that employ fewer than six employees with the inclusion of a business owner (FinScope, 2016, p. 11). Developing and developed countries, of which Lesotho is no exception, experience contractions in business, increasing unemployment rates, declining government revenues, and increasing poverty.

Factors classified as external and internal directly impact business, subsequently determining the success of businesses. Political and economic factors need government interventions; for instance, the types of trade protection and the requirements and conditions needed for registering and operating a business (Masupha, Beharry-Ramraj and Amolo, 2017, p. 8). The government of Lesotho established state organs and several organisations to assist with developing SMMEs. Examples include the following: the Ministry of Trade and Industry established a "one-stop-shop" to shorten the administrative processes required to register a business in Lesotho, and the Basotho Enterprise Development Corporation (BEDCO), founded in 1980, which is responsible for providing mentoring and coaching services, providing a conducive infrastructure for SMEs, making it easy for SMEs to access markets, and providing easy financing to small businesses.

The government has established a small business support programme for unemployed youth under the Ministry of Gender, Youth, Sports, and Recreation. This programme was designed to provide financing, training, and network connections; the programme has successfully brought a great entrepreneurial nature to youth (Masupha, Beharry-Ramraj and Amolo, 2017, p. 13). Another programme is the Moliko (Sesotho) Trust. This micro-credit facility works with the Ministry of Gender and Youth to issue financing paid in instalments. Loans under this programme attract a lower finance cost of about 3% of the loan. The programme enables young entrepreneurs to establish businesses with loans that have less restricting terms and conditions than those of commercial bank loans. However, the question remains whether these programmes are truly beneficial and functional.

Currently, formal businesses cannot be operated from home, forcing businesses to rent expensive buildings. As a result of obsolete guidelines, small businesses face high compliance costs, inadequate operational space, and limited access to finance despite programmes that are in place to assist them. Several programmes offer training to small businesses. These include the Smallholder Agricultural Development Project (SADP), Private Sector Competitiveness and Economic Diversification Project, Vodacom Innovation Hub, Government through Lesotho Post Bank, and Maluti Mountain Breweries. The Basotho Enterprise Development Corporation (BEDCO) offers many other programmes.

Lesotho, as a country, can benefit from learning from developed countries to improve the impact of its guidelines on small businesses. Lesotho must assess compliance, efficiency, and effectiveness and ensure the well-administration of regulations and whether they are correctly and adequately implemented, making it simple for small businesses to survive. If this issue is not addressed, more businesses will close, resulting in a much higher unemployment rate and an exacerbated need for the government to create jobs.

In 2000, the Lesotho government and the supporting institutions realised the need to develop the Small and Medium Enterprises policy. Even though there was a notable development in some other parts of macroeconomics, the country continued to be challenged by the increasing unemployment rate, rampant poverty, and an increase in small businesses' failure rate. The development of this policy aimed to create stability in small and micro-enterprises, benefitting Lesotho through job creation, sustainable growth, and poverty reduction (Kanono, 2000, p. 23). It was anticipated that adequately managed and assisted small businesses would potentially bring solutions to the problems mentioned above.

Approximately 150 to 220 businesses employed about six or more employees in 1990, with the year 2000 marked by 2 000 businesses of this nature and about 125 000 small and medium enterprises that employed one or two employees. Small and medium businesses are excluded from large and foreign industries' incentives and are subject to arduous bureaucratic procedures. Small businesses are almost always incapable of complying with cumbersome and complex procedures for licensing, import requirements, and taxation. Small business challenges include the absence of a clear policy framework, unfavourable policy on monetary lending, lack of legal support, and non-effective education and training programmes (Kanono, 2000, p. 41).

In 2020, a new law prohibiting foreigners from owning and operating small businesses in Lesotho was introduced. The publication of a government gazette entitled "Business Licensing and Registration Regulations 2020" reserved approximately 40 business activities for Basotho. The reserve included, among others, road freight transport and logistics, dealerships in motors, agents and brokers in wholesale, animal feed retail stores, general cafes, and hair salons.

The initiative aimed to close the gap in the Ministry of Trade and Industry regulations. Subsequently, making it difficult for the Ministry to curb the rate at which the Chinese community residing in Lesotho was taking over small businesses reserved for Basotho. Unfair competition was imposed on Basotho small business owners by foreigners operating small businesses. The previous regulations (e.g., the newly enacted) prohibited foreigners from operating small businesses. However, the challenge was that the law was silent on what action to take against those who acted against this law.

Lesotho defines a small business as highlighted in the study that SBP conducted for the Ministry of Trade and Industry, Cooperatives, and Marketing. In the Lesotho context, businesses should be categorised by their number of employees; 0 to 2 employees, 3 to 9 employees, and 10 to 49 employees are suggested for Micro, Small, and Medium businesses, respectively (Government of Lesotho, 2008, p. 17).

This study adopted the definition of SMEs mentioned above.

1.3 Problem Statement and Background

The government of Lesotho needs to measure the effectiveness of available programmes designed to assist small businesses because these businesses continue to shut down and discontinue their operations. One of the most difficult obstacles small businesses face when beginning and expanding a new firm is obtaining sufficient funding (Lawal, Iyiola and Adegbuyi, 2018, p. 44). The failure trend requires further investigation, especially since many support programmes are available. Perhaps the support programmes are an ineffective and inefficient intervention for the sustainability of small businesses. Governments need to regulate small businesses to ensure compliance, fair competition, and easy access to support. According to Williams (2014, p. 29), when handling informal entrepreneurship, there are four possible policy options: do nothing, de-regulate formal enterprise, abolish informal entrepreneurship, or formalise informal entrepreneurship. However, the initial option of doing nothing is not an option to consider.

1.3.1 Problem Statement

Despite the government of Lesotho and financial institutions implementing support programmes to assist small businesses in Lesotho, entrepreneurs continue to shut down

businesses. The shutting down of businesses affects the country's economic growth as these small businesses play a critical role in contributing to the country's economic growth.

Therefore, this study aimed to assess how easy or difficult it is for small businesses to access small business support programmes and the effectiveness of these programmes in supporting small businesses in the Maseru district in Lesotho. This will assist the government of Lesotho in determining whether the programmes in place are a solution to the challenges small businesses face.

1.3.2 Study Questions

This study was guided by the research questions below.

1.3.2.1 Primary Research Question

- What types of small business support programmes are available in Maseru, Lesotho?

1.3.2.2 Secondary Research Questions

- What are the barriers for small businesses to access SME support programmes?
- What must be done to improve the existing small business support programmes in Maseru, Lesotho?

1.4 Study Objectives

The following objectives highlight the specific focus of this study.

1.4.1 Primary Objective

- The study's primary objective was to evaluate the small business support programmes in Maseru, Lesotho.

1.4.2 Secondary Objectives

- To determine the types of small business support programmes available in Maseru, Lesotho.
- To determine the barriers for small businesses to access SME support programmes.
- To determine what must be done to improve the existing small business support programmes in Maseru, Lesotho.

1.5 Research Design and Methodology

1.5.1 Research Design

The study used a quantitative research approach. According to Bryman *et al.* (2014, p. 30), quantitative research is a distinctive research approach that entails the collection of numerical data, views the relationship between theory and research as deductive, prefers a natural science approach in general (and positivism in particular), and adopts an objectivist conception of social reality.

1.5.2 Sampling Strategy

A list of SME owners who participated in this study was obtained from the Ministry of Trade and Industry and the Lesotho Chamber of Commerce. Participants were recruited and informed about the research during meetings at the Ministry of Small Business, Lesotho National Development Cooperation (LNDC), and The Basotho Enterprise Development Corporation (BEDCO). A non-probability convenience sampling was identified as an appropriate technique for this study as most Lesotho small businesses are not legally registered.

1.5.3 Method of data collection

In order to collect data from the targeted respondents, the researcher developed a structured self-completion questionnaire written in English and interpreted in the Sesotho language. This structured questionnaire was a (web-based) online/computer-based survey where

participants could access the questionnaire at their convenience and in the comfort of their offices/homes. Participants had ten days to complete the questionnaire.

The link remained open until the required number of participants had been reached. Descriptive survey questions were used to gain information about the small business support programmes' effectiveness. The amount of planning invested in the process was key to designing the efficient data collection form. The questionnaire link was sent to selected participants using a non-probability convenience sampling technique.

1.5.4 Data Analysis

During data analysis, descriptive and inferential statistics were used as the data collected from participants was entered into the Statistical Package for the Social Sciences (SPSS) programme to analyse data and for data management purposes. A hypothesis was developed to describe the current status regarding how easy or difficult it is for business owners to access the support programmes. The below-formulated hypotheses were tested:

- Business owners are aware of available programmes.
- Business owners are unaware of available programmes.
- Business owners have requested assistance from programmes.
- Business owners have not requested assistance from programmes.
- Applicants receive feedback on their applications.
- Applicants do not receive feedback on their applications.
- Requirements have made it easy to access programmes.
- Requirements have not made it easy to access programmes.
- Education has made access to programmes easy.
- Education has not made access to programmes easy.
- Programmes assist with business survival.
- Programmes do not assist with business survival.

1.5.5 Ethical Consideration

Bryman *et al.* (2014, p. 121) highlighted that it is a good practice to consider potential ethical issues at the research design stage rather than when a particular issue is confronted. In

order to ensure that the results obtained from this study were valid and participants protected, the following ethical considerations were observed.

1.5.5.1 Study Authorisation

Authorisation to conduct the study was sought from the Lesotho Chamber of Commerce (LCC) and the Ministry of Trade and Industry, where a list of participants was obtained. According to Hair, Page and Brunsveld (2020, p. 79), business ethics is relevant to researchers because ethical issues occur throughout the research process.

1.5.5.2 Objectives

In order to avoid bias, the research design entailed using a software package (SPSS) to ensure that information obtained from participants was credible and without interference so that findings would remain objective. For Hair, Page and Brunsveld (2020, p. 82), objectivity is an important component of science. Quantitative approaches provide objectivity because the hypotheses are tested by collecting data, and statistical criteria are applied to assess the measure.

1.5.5.3 Participation

All participants voluntarily took part. Participants were informed about what was expected of them and informed that they would need approximately 20 minutes to answer the questions that were online-based. Although the importance of participating in the study was emphasised, participants were informed that participation was not compulsory. It is important that the researcher accurately describe the nature and extent of the participation required when soliciting respondents (Hair, Page and Brunsveld, 2020, p. 38).

1.5.5.4 Confidentiality

Participants' consent was obtained, and their responses remained confidential. Participants were also assured that their responses would only be used for this study and that no information would be shared with any other person or organisation without their consent. The questionnaire link was designed in a way that when responses were submitted, no trace of who had participated was left.

1.5.5.5 Informed Consent

Before questionnaires were sent, prospective participants received an email with all the study details to ensure they made an informed decision about their participation. Those who did not want to participate were asked to ignore the questionnaire link once it was sent to them.

1.5.5.6 Plagiarism

The Harvard referencing method and similarity software checker (Turnitin) were used to ensure that the study remained plagiarism-free. According to Awasthi (2019, p. 29), plagiarism is considered a serious academic offence that could lead to action being taken against those who are found guilty.

1.6 STUDY DEMARCATION

The study was conducted in Maseru, Lesotho, and small business owners participated. The study sought to establish why businesses continue to shut down even when support programmes are available. This research study is in the field of Small Business Management. The Lesotho National Development Corporation and Basotho Enterprises Development Corporation provide funding and training to small business owners as a way of extending a helping hand and encouraging entrepreneurship in small businesses. These institutions are doing this initiative in collaboration with the Ministry of Small Business. Participants were selected from small businesses in the urban Maseru area only.

1.7 STUDY CHAPTER LAYOUT

Chapter 2: Literature Review.

Chapter 3: Research Methodology.

Chapter 4: Data Analysis and Interpretation.

Chapter 5: Conclusion and Recommendations.

1.8 CONCLUSION

This study focused on why small businesses continue to fail even when there are small business support programmes intended to keep them functional. Also, the study aimed to

establish if these programmes are effective. The researcher included recommendations, where necessary, on areas of improvement for the Lesotho National Development Corporation, Basotho Enterprises Development Corporation, and the Lesotho Ministry of Small Business. The following chapter, Chapter 2, provides a literature review on small business support programmes.

Chapter 2

LITERATURE REVIEW

2.1 INTRODUCTION

A few studies have been conducted to evaluate why small businesses have continued shutting down even when small business (SME) support programmes are available. This chapter will explore available literature to seek the reasons for setting up small business support programmes, find the best practices, and what other countries are doing to ensure the success of small businesses through such programmes.

This chapter will discuss definitions of small business and small business support programmes. In addition, the reasons why small businesses must be supported or assisted will be included.

2.2 SME's Definitions

1.1.1 Developing Countries

The National Small Enterprise Act 102 of 1996 defines and categorises the term small business in South Africa. This Act categorises small businesses into eleven classifications of sectors or industries. The definition uses the number of employees, a very common way of defining small businesses in most countries. South Africa also includes annual turnover and eliminates a third element (total gross assets) in their definition (Department of Small Business Development, 2019, p. 110).

Table 2.1 summarises South Africa's small business definition based on the Revised National Small Enterprise Act 102 of 1996. A category called a very small enterprise has also been renamed to micro-enterprise to ensure that it coincides with international practices.

Table 2.1: Classification and Definitions of Enterprises in South Africa

Sector or sub-sectors by the standard industrial classification	Size or class of enterprise	Total full-time employee	Total annual turnover
Agriculture	Medium	51 - 250	≤ 35,0 mil
	Small	11 - 50	≤ 17,0 mil
	Micro	0 - 10	≤ 7,0 mil
Mining and Quarrying	Medium	51 - 250	≤ 210,0 mil
	Small	11 - 50	≤ 50,0 mil
	Micro	0 - 10	≤ 15,0 mil
Manufacturing	Medium	51 - 250	≤ 170,0 mil
	Small	11 - 50	≤ 50,0 mil
	Micro	0 - 10	≤ 10,0 mil
Electricity, Gas, and Water	Medium	51 - 250	≤ 180,0 mil
	Small	11 - 50	≤ 60,0 mil
	Micro	0 - 10	≤ 10,0 mil
Construction	Medium	51 - 250	≤ 170,0 mil
	Small	11 - 50	≤ 75,0 mil
	Micro	0 - 10	≤ 10,0 mil
Retail, motor trade, and repair services	Medium	51 - 250	≤ 80,0 mil
	Small	11 - 50	≤ 25,0 mil
	Micro	0 - 10	≤ 7,5 mil
Wholesale	Medium	51 - 250	≤ 220,0 mil
	Small	11 - 50	≤ 80,0 mil
	Micro	0 - 10	≤ 20,0 mil
Catering, accommodation, and other trade	Medium	51 - 250	≤ 40,0 mil
	Small	11 - 50	≤ 15,0 mil
	Micro	0 - 10	≤ 5,0 mil
Transport, storage, and communications	Medium	51 - 250	≤ 140,0 mil
	Small	11 - 50	≤ 45,0 mil
	Micro	0 - 10	≤ 7,5 mil
Finance and business services	Medium	51 - 250	≤ 85,0 mil
	Small	11 - 50	≤ 35,0 mil
	Micro	0 - 10	≤ 7.5 mil
Community, social and personal services	Medium	51 - 250	≤ 70,0 mil
	Small	11 - 50	≤ 22,0 mil
	Micro	0 - 10	≤ 5,0 mil

Source: Department of Small Business Development (2019, p. 111)

According to Amadhila (2020, p. 29), the Labour Resources and Research Institute (LaRRI) and National Economic Policy Research Unit (NEPRU) provide several definitions for SMEs, overlapping to some extent. In the manufacturing sector, the company must have less than ten employees, with a turnover not exceeding one million Namibian dollars with a capital employed of five hundred thousand Namibian dollars.

The Citizen Entrepreneurial Development Agency (CEDA) Botswana has a different categorisation and classification of businesses. Table 2.2 indicates CEDA classification, including amounts of loans that can be issued and interest charged at each rank.

Table 2.2: Classification and Definitions of Enterprises by size

Type	Maximum Turnover per Annum (P)	Maximum Number of Employees	Loan Limit Range (P)	Interest Rate per Annum (%)	Repayment Period / Number of Years
Micro	60,000	6	500 – 150,000.00	5	5
Small	500,000	25	150,000.01 – 500,000.00	5	5
Medium	5,000,000	100	500,000.01 – 4,000,000	7.5	Up to 10
Large	Over 5 million	More than 100	4 million up to 30 million	Market Rate	Up to 15

Source: Ntebogang (2013, p. 5)

Lesotho uses the definition highlighted in the study conducted by SBP for the Ministry of Trade and Industry, Cooperatives, and Marketing. It states that in the Lesotho context, businesses are categorised by the number of employees (e.g., 0 to 2 employees, 3 to 9 employees, and 10 to 49 employees are suggested for micro, small, and medium businesses, respectively) (Government of Lesotho, 2008, p. 49). Furthermore, the categories have been described as follows: micro-enterprises have fewer than six (6) staff members, small enterprises have six (6) to twenty (20) staff members, and medium businesses have twenty-one (21) to fifty (50) staff members (FinScope, 2016, p. 78).

2.2.1 Developed Countries

The Small Business Administration (SBA) is responsible for determining and defining small businesses and micro-enterprises in the United States of America. They have introduced several definitions of small businesses over the years. Original definitions focused on size and industry standards, the number of employees, income under \$500 million, or service and production capabilities. The variables were determined as early as 1980 and were set as a basic criterion in determining the classification of businesses (Anastasia, 2015, p. 18).

The SBA announced in 2005 that it would begin to work on a simplified small business definition due to a growing problem with larger companies obtaining contracts meant for small businesses. In 2010, the SBA changed standards for small business definitions. The new definition divided companies between retail, food, and other services into three separate areas. The change allowed smaller companies to receive funding to influence their growth (Anastasia, 2015, p. 31).

However, Gibson and van der Vaart (2008, p. 15) asserted that a specific business environment of a certain geographical area is important when defining SMEs. It is further encouraged that in determining the definition, four important questions must be asked: where large companies are from, how best a country can diversify its economy, which groups of businesses have an influence on policy reforms and government accountability plus transparency, and what an SME is in its essence.

2.2.2 Institutional

Table 2.3 illustrates how different organisations define SMEs differently. This indicates the complexity of having one universal definition of an SME that can be used widely.

Table 2.3: Multilateral Institutions SMEs Definitions

Institution	Max number of Employees	Max Revenue \$	Max Assets \$
World Bank	300	15,000,000	15,000,000
MIF - IADB	100	3,000,000	N/A
African Dev. Bank	50	N/A	N/A

Asian Dev. Bank	No official definition. Only uses the definition of the individual national government.		
UNDP	200	N/A	N/A

Source: Gibson and van der Vaart (2008, p. 5)

2.3 Small Business Support

Entrepreneurs understand business support as the availability of accessible finance, enabling policies, proper business culture, and quality human capital with market expertise (Clipa, 2020, p. 198).

2.4 Mostly Used Forms of Support

2.4.1 Loans

Governments negotiate low-interest rate loans as a form of support offered to small businesses. When these loans are not paid, the government, as a loan guarantee, takes responsibility for payments. Larisa, Mariana and Kseniya (2018, p. 249) found that the practice of granting a so-called "bonus of the first year" is widespread in the USA and Europe. For example, the USA independently repays about 90% of the loans obtained by small enterprises in commercial banks.

According to Harel, Schwartz and Kaufmann (2020, p. 4), small firms face various challenges to encourage innovation which is critical for their development and success. The innovation process necessitates financing sources and entails risk, which large organisations are often better equipped to handle due to their financial resources and capacity to diversify risks across several initiatives (Harel, Schwartz and Kaufmann, 2020, p. 9). Funding, the high cost of innovative activity, fear of change, and a lack of awareness about external sources of support are the key impediments to innovation for small enterprises (Van Scheers, 2018, p. 168).

2.4.2 Tax benefit

According to Anim *et al.* (2020, p. 3), African countries are grappling with striking the right balance between a tax system that is business and investment-friendly and generating enough income to fund public services (Zambia Revenue Authority, 2022, p. 12). Taxation is the procedure through which a state or government collects payments from its inhabitants

or residents to keep the governmental machinery running (Geissdoerfer, Vladimirova and Evans, 2018, p. 410).

In the start-up phase, some countries offer small and newly established businesses low-income tax rates for a few years. In Canada, small enterprises are charged 15% as opposed to the 36% charged to other companies (Larisa, Mariana and Kseniya, 2018, p. 6). This gives small businesses a chance to grow in the industries they are operating in and create sustainability. Masanja (2019, p. 12) found that high taxes, different taxes, unjustified taxes, hostile tax administrators, difficulty in paying taxes, bureaucracy in paying taxes, and changes in taxes impact tax compliance behaviour for SMEs in Tanzania.

2.4.3 Grant

Grants entail organisations and governments offering to fund a specific purpose or form of business. These are usually obtained through applications, while some are offered by qualification (Mukata and Swanepoel, 2017, p. 201). If job creation is the target, a criterion will state that a company with a certain number of employees qualifies for a grant. Latvia (Indrika, 2021, p. 6) found that grants are other forms of support available to small businesses.

For public sector management, the political climate of the public sector activities has been crucial (Vasileva, 2019, p. 14). Government attention and assistance for institutions and departments can help to accelerate outputs and performance possibilities (Khalid *et al.*, 2019, p. 757). However, there is a dearth of research studies on the influence of government money on organisational performance.

As a result, government support is extremely important, particularly for entrepreneurial aspirations (Klotz, 2007, p. 199). The Chinese government is also encouraging entrepreneurship in the country by offering generous financial options. Over the past few decades, the country has developed an open economy where inventive individuals can receive cash (Khalid *et al.*, 2019, p. 753). The government's funding programmes for entrepreneurs are quite flexible.

2.4.4 Training

For Nkwabi and Mboya (2019, p. 1), training must be offered to change how business owners think. They further state that business training assists small businesses in gaining new knowledge about business and helps them overcome business challenges, including corruption, fear of competition and technological problems (Nkwabi and Mboya, 2019, p. 6). According to Lee (2016, p. 12), enterprises that want to maximize short-term earnings and are unwilling to invest in human resources on a long-term basis have been responsible for in-service training programmes. As a result, money has been identified as a significant hindrance to skills development.

Entrepreneurial training may significantly improve organisational welfare since personnel trained in a certain subject become capable of responding to various challenges (Khalid *et al.*, 2019, p. 768). According to Ahmed *et al.* (2016, p. 3), training plays a crucial role that may aid in developing competitive abilities in workers to improve responsive performance and employee outcomes. As a result, entrepreneurial training has a similar outlook (Oguntoye and Quartey, 2020, p. 23). Entrepreneurial training in firms, according to researchers, may be a successful growth approach for gaining a competitive edge (Khalid *et al.*, 2019, p. 759). Researchers have highlighted the need for entrepreneurial training for public authorities and government institutions to assist them in achieving business goals through new concepts that increase performance and efficiency (Khalid *et al.*, 2019, p. 758).

Additionally, Vasileva (2019, p. 9) suggested that training employees in SMEs should be done to improve skills for modern technologies and business opportunities. According to Molebatsi (2021, p. 37), global experiences with MSME promotion show that providing quality business development services, including entrepreneurship training, is critical to the success of small firms. The FinScope study found that 49% of MSMEs in Lesotho taught themselves how to keep company records, 9% learned through training programmes, and 2% received their education at a university or college.

2.4.4.1 SMEs' Training Challenges

SMEs face unique challenges or risks in growing their human resources compared to large corporations (Lee, 2016, p. 6). SME training challenges may be highlighted in terms of scale, institutional capability, and the cost of training. Because of their limited number of workers, SMEs do not engage in training programmes as often as major corporations do (Hoshi,

Kawaguchi and Ueda, 2022, p. 3). It is challenging for SMEs to create in-plant training programmes or identify appropriate institutional training programmes outside the company (Catanzaro, Messeghem and Sammut, 2019, p. 36). As a result, SMEs, in general, have a greater training cost per worker than large corporations, and they should be compensated for these additional expenditures in order to provide a level playing field for fair competition (Dladla and Mutambara, 2018, p. 20).

2.5 SMEs' Challenges

Similar to other countries, South African SMEs struggle to access various services, such as supporting business operations and financial services (Jordaan and Coetzee, 2021, p. 376). Accessing bank accounts designed to assist businesses, regular use of financial services and products, credit line access and equal opportunities through lower finance cost loans offered to SMEs are other challenges (Jordaan and Coetzee, 2021, p. 376).

For Eton *et al.* (2021, p. 22), globalisation has assisted technological changes in developing new products. A strong correlation between increasing technology and the high failure of small businesses is notable in Uganda. Akeyewale (2018, para. 4) found that, in Africa, higher challenges such as technology, innovation, and human capital are significant obstacles to business enterprises. Lawal, Iyiola and Adegbuyi (2018, para. 7) stated that because entrepreneurs are hampered by a lack of collateral, non-existing historical track records for business evaluation, and sometimes the absence of equivalent experience, they face one of the most serious problems, namely access to finance.

A study in Indonesia revealed that although some industries have been running for years, the majority remain unmanaged (Kussujaniatun, Warsiki and Harilaksana, 2019, p. 342). The administrative documentation of such companies shows this. Most industries do not yet have their companies' administrative documentation (Ratinger, Čadil and Agyemang Amaoko, 2020, p. 40). This condition shows that the importance of administrative documents for an organisation is still not understood. Similarly, the industries are still not reporting on their business in financial terms. Because of the low level of education of industry owners, poor documentation can occur for management and financial reports (Depken and Zeman, 2018, p. 15). From the results of the research, the following findings emerged: 60% were elementary school graduates; 5% were not even primary school graduates; 25% were junior secondary school graduates; and 10% were secondary school graduates. These result from

the lack of information about a company's documentation (Kussujaniatun, Warsiki and Harilaksana, 2019, p. 345).

The lack of investment capital leads to numerous small enterprises' failure. Small business owners also face the obstacle of failing to access funding from official financial institutions. The main factor towards ensuring business sustainability and success is small business owners' ability to access funding (Mgembe, 2019, p. 47). Lack of financial support has been shown to contribute to the failure of small enterprises. Obtaining financial resources minimises the chance of closing small businesses as well as contributing to the viability of small businesses (Pedchenko *et al.*, 2018, p. 8). Therefore, the availability of sufficient capital is the main business preparation strategy to facilitate access to other business performance resources (Mgembe, 2019, p. 52).

Small businesses face the challenge of consumers who are always looking for a less expensive product; consequently, local businesses lose sales to foreign businesses since they are unable to keep their prices as low, with foreign businesses taking advantage of reduced imported goods and services (Akeyewale, 2018, para. 5). There is a need for a conducive environment that will enable small businesses to grow; costs of conducting business must be reviewed for small businesses (Tecson, 2004, p. 21).

The lack of creditworthy information from small businesses results in financial institutions charging higher interest rates or even asking for much higher security or collateral (Tecson, 2004, p. 24). This is due to a fear of higher risk associated with lending to a small business. Financial intermediaries' propensity to lend to businesses is influenced by the country's security and financial legislation (Lawal, Iyiola and Adegbuyi, 2018, p. 8). Higher interests raise finance costs for these small businesses, discouraging them from borrowing to grow their business (OECD, 2015, p. 105). Larger businesses are in the position to borrow funds without any difficulty and can negotiate prices and lower their cost of production, thus assisting them in charging lower prices for their products (Tecson, 2004, p. 18).

Challenges to accessing small business support offered under institutions result in business owners using other means of funding (Binda, 2017, p. 9). Other means include crowdfunding, which is a viable option for entrepreneurs to start their projects because it is a simpler method of investing (without bank intermediaries). Binda (2017, p. 9) indicated

that a crowd of potential investors is an important component of any business model. However, the relationship between entrepreneurs and "Internet supporters" is even more important regarding crowdfunding.

2.6 Small Business Development Mechanisms in Lesotho

The Lesotho MSME Policy (FinScope, 2016, p. 8) emphasises that the relevance of SMEs to overall economic growth and job creation is becoming more widely recognised. In Lesotho, the advancement of MSMEs is seen as critical to achieving larger development goals such as alleviating poverty, creating excellent jobs, improving women's status, and extending local ownership of economic initiatives (FinScope, 2016, p. 1).

2.6.1 Entrepreneurial Training

According to FinScope (2016, p. 10), 49% of the small businesses in Lesotho learned how to keep business records by themselves; 2% use skills acquired from universities and colleges, while 9% use skills attained from training programmes. The Lesotho MSME Policy (FinScope, 2016, p. 21) indicates that despite the government's role, the private sector must provide market-based services together with the government, providing a supportive atmosphere. What is central to small businesses being successful is providing them with the best business development services, including entrepreneurial training.

2.6.2 Innovation and Technological Development

According to research (e.g., The 2016 FinScope survey on micro, small and medium enterprises in Lesotho), countries' levels of progress are now assessed by technological advancements rather than per capita GDP. SMEs vary in nature, including the sources of development and the technology they employ. This may be traced back to studies of disparities in development and growth between nations influenced by this new approach (Mayor, de la Hera and Ruiz, 2012, p. 448). According to Mayor, de la Hera and Ruiz (2012, p. 451), the global spread of technological growth has prompted academics and governments to pay greater attention to the issue and attempt to quantify nations' technological capabilities. For Mayor, de la Hera and Ruiz (2012, p. 447), technology is a key driver of long-term economic progress.

Gorączkowska (2018, p. 6) found that African SMEs must be technologically savvy and inventive to fulfil clients' expectations and remain competitive. The innovation process is all about discovering new ideas and information that will translate into distinct goods and services to provide value-added results with increased efficiency (Naidoo, Hewitt and Bussin, 2019, p. 11). Organisations can benefit from innovation by obtaining a competitive advantage over less inventive competitors by developing unique goods and services and improving business processes (Naidoo, Hewitt and Bussin, 2019, p. 11).

2.6.3 Market Access

Despite the steps taken to assist SMEs to realise their full potential as key contributors to job creation, poverty reduction, wealth development, and economic growth in Africa, several challenges remain (Chinje, 2015, para. 2). According to Chinje (2015, para. 5), one of the most important challenges faced by small SMEs is a lack of market access. Access to markets comprises, among other things, the export and import of commodities and services, the development of infrastructure, and the establishment of networks.

By adopting the MSME Policy in 2016, the Lesotho government promised to make "access to market simple for business sectors," since it is an issue faced by both domestic and international MSMEs. The policy indicated that many small enterprises in the nation lack enough information and intelligence on market prospects and trends. In order to guarantee that the markets and internalisation are accessible, the following intervention measures were proposed: Market intelligence; marketing linkages; marketing capacity building; and elaboration on MSME cluster development (FinScope, 2016, p. 48).

2.6.4 Infrastructural Development

Several emerging countries are bemoaning their lack of essential infrastructure, such as transportation, telecommunications, and energy (Olawale and Garwe, 2010, p. 731). The quality of infrastructure can impact the growth prospects of new SMEs, particularly in emerging nations such as South Africa.

The findings of a survey conducted by Rogerson (2006, para. 8) in the Free State Province revealed that the community of emerging SMME entrepreneurs operated their diverse businesses from various types of premises or sites. Rogerson (2006, para.8) also found that

less than one-third of SMMEs were accommodated in formal business premises and at least two-thirds of businesses operated from informal premises, most notably the home or backyard. The majority of informal manufacturing, service, and construction SMMEs operate from their homes. Businesses operating from the sidewalk were food retailing companies or shoe repair shops. Many brickwork businesses operated from unofficial locations. The majority of cultivators grew on the designated property, while some worked from their backyard.

The restrictions that SMEs face in Lesotho are comparable to their South African counterparts. According to the SBP (Government of Lesotho, 2008, p. 10) report, excessive operating expenses were cited by 23% of respondents as a serious concern to their enterprises. Examples include high rental and labour expenses and limited access to tools, equipment, and transportation due to the high costs of these inputs. Furthermore, procuring materials frequently necessitates travelling by the business owner, significantly raising input expenses.

The Lesotho MSME Policy declares that essential utilities such as water, electricity, and access roads must be established in designated clusters through public and private sector partnerships. Markets, trading, and manufacturing points for MSMEs, particularly the informal sector, must be made more attractive. Incentives such as reduced costs of land acquired for clustered enterprises, including the provision of water, electricity, and marketing facilities, must also be provided (FinScope, 2016, p. 46).

2.7 Policy Interventions

According to Peters *et al.* (2018, p. 23), policies are written statements of ideas, goals, and action plans. Molebatsi (2021, p. 41) described a policy as legislation, rule, process, administrative action, incentive, or voluntary practice of governments and other institutions.

Lesotho is still grappling with the difficulty of formalising informal companies through policy. There are a large number of enterprises that operate on an unofficial basis. According to Mpaki (2017, p. 12), the Principal Secretary of the Ministry of Labour and Employment stated that the informal sector is a disregarded aspect of many ILO members' economic systems. One of the ILO facilitators suggested that formalising the informal sector should be included

in Lesotho's developmental goals and objectives, such as the next National Strategic Development Plan (Mpaki, 2017, p. 15).

Zambian policy indicates that Zambian citizens' entrepreneurial culture and business practices are still underdeveloped. This may be linked to a cultural mentality of dependence and low risk-taking propensity, resulting in low business and management skills in the majority of small businesses. These low levels of management and entrepreneurial skills have restricted the capacity of the smallest businesses to grow beyond the start-up phase (Republic of Zambia, 2008, p. 13).

In order to achieve sustainable qualitative growth, it is necessary to build enterprising capacity through a deliberate enterprise development system for small businesses in the sector. Developing entrepreneurial capability through a deliberate entrepreneurship development system is essential for sustainable qualitative growth and for citizens to be business-oriented. Government policy statement promotes a culture of entrepreneurship among citizens and promotes market demand-driven training for entrepreneurship and business management (Republic of Zambia, 2008, p. 11).

For proper training and equipping business owners with appropriate skills, the government must play a critical role in supporting small businesses (Kalane, 2015, p. 59). Government policies must be able to target the right audience when structuring support programmes. Proper targeting will assist the business owner in understanding what is needed in their business environment and what regulations govern it (Kalane, 2015, p. 43).

In Tanzania, another strategy owners of small businesses use to continue business operations for a period exceeding five (5) years is an early plan to ensure access to business funding. Small business owners have a greater chance of achieving business success and sustainable business with access to financial resources. Mgembe (2019, p. 37) indicated that owners of small businesses mostly use internal financing resources; however, in the absence of financial resources that are internal and provided by owners of small businesses themselves, the owner must choose external sources for funding. Insufficient investment capital is the main barrier to the sustainability of the majority of small businesses (Mgembe, 2019, p. 36).

The Australian government's strategy is to encourage SMEs to focus on enhancing their operating environment, increasing investment incentives, and expanding possibilities for private enterprise (OECD, 2022, para. 3). The Royal Commission into Banking Misconduct has influenced SMEs' access to capital (Durst and Gerstlberger, 2020, p. 23). It honed access and tightened lending processes as 22% of SMEs said obtaining financing was more difficult in 2018, and 34% expected funding access would be harmed in the near future (Durst and Gerstlberger, 2020, p. 24).

Lawal, Iyiola and Adegbuyi (2018, p. 18) argued that policymakers must create a financial market system that is efficient, robust, and well-functioning in order to offer SMEs inexpensive and long-term financial services. Furthermore, Oshora *et al.* (2021, p. 286) indicated that all stakeholders must focus on assisting SMEs in their development through various supporting institutions.

2.8 Support Programme Needs and Awareness

2.8.1 Developing Countries

In Mozambique, a study was undertaken to analyse variables that include collateral needs, financial opportunities awareness, the finance sector's structure, services provided to small businesses, and access to finance (Bianco *et al.*, 2022, p. 16). It was found that small businesses' collateral requirements and support services had a positive connection (Peter *et al.*, 2018, p. 12). The relationship between the collateral needed by small businesses and the structure of the financial sector was also found to be positive. However, all the independent variables and access to finance had no significant correlation (Osano and Languitone, 2015, p. 10).

The study further found that access to finance was affected by funding awareness. It was also found that there was information asymmetry (Osano and Languitone, 2015, p. 14). Little knowledge of small enterprises among financial institutions exists. Information asymmetries concern the two financial market players. For example, borrowers may be aware of their business cases, but bankers are not. It involves a lack of information on the applicant's ability to repay the loan as well as access to financial products from banking institutions in due time, accuracy, quality, quantity, and complete information (Osano and Languitone, 2015, p. 8). When financial institutions know little about businesses, they will not be able to provide

the proper or needed solutions for the businesses. Small businesses' needs must be considered to provide a required support programme.

Furthermore, private capital comprises the majority of business capital in industries. Only a few business owners receive more capital for business expansion through bank loans. There are several reasons for this (Osano and Languitone, 2015, p. 18). First, they fear business owners will not be able to pay the credits as the monthly instalments might be too expensive for them. Their low level of education lets small business owners think they are not able to expand their businesses. The second reason entrepreneurs do not want to borrow from banks or other financial institutions is that they find it difficult to obtain loans. This is because they cannot meet the administrative and technical requirements requested by the banks. The most challenging requirement they have to meet is collateral. Not all owners have enough property or assets to guarantee lending. Most industries are home enterprises, so it is unsurprising that insufficient assets or property are available to them (Kussujaniatun, Warsiki and Harilaksana, 2019, p. 346).

Ghana's context dictated that improved information on different sources of financing should be included in policy actions. This could include more funding initiatives and aggressive and ongoing promotional campaigns to inform the various small and medium enterprises about available funding schemes for the sector (Abor and Quartey, 2010, p. 218). Abor and Quartey (2010, p. 221) recommended that criteria for eligibility be made more flexible to allow more small businesses to qualify and access such funds. It should be reconsidered to have these facilities offered through commercial banks. Effective consultants affiliated with these schemes should assess candidates' proposals; the banks should be appointed as management officers of the loan facility at an additional cost. In this case, the credit risk lies with the government. The processing could be expedited, and applicants could be given better access to these facilities (Abor and Biekpe, 2006, p. 72).

A study conducted in Namibia found the lack of funding and micro-financing services problematic. One view was that access to credit was not as good as the needs of small companies. Despite the many credit institutions and credit guarantee funds, and the need for financing services, these services do not work as effectively as they should. It may be important to improve the structures of funding institutions. Small companies require basic

training and support in addition to more specialised courses. One must first have a fundamental business skill and then focus on specialised courses (Parkkali, 2008, p. 31).

Parkkali (2008, p. 28) suggested that to improve the small Business Support Programme, a rethinking of target groups must be done, and services offered to such groups must be unique and in line with the needs of each specific target group. Solutions must be tailored for these different groups. They further suggested that branches must be countrywide and services must be provided to people in the language entrepreneurs speak.

Namibia Business Development Support providers believe that the government's role in small business support programmes must change. The government must not only be seen assisting and supporting small businesses by being involved in the support efforts but also focus on environment-enabling efforts. It should put more effort into market-related issues such as market access and local products and services support (Parkkali, 2008, p. 27).

2.8.2 Developed Countries

In the Russian context, there is little demand for small business assistance programmes. Even when programmes are available, there has always been a low demand for such assistance. The reason for this is that entrepreneurs fear that the requirements for this kind of funding are too complicated, unable for them to meet (Finantare, 2012, p. 1). They also believe that the support programme for small businesses has rather stringent requirements for applicants (Podshivalova, Pylaeva and Kuzmina, 2019, p. 30).

Small business owners are afraid they may not meet all the requirements to obtain funding, so they choose not to seek assistance (Indrika, 2021, p. 22). Russian small entrepreneurs are distinguished by their independence and lack of trust in the Russian government. Unless this belief is changed, no effective measures, no matter how noble the goal of government assistance, will be in demand in the SME sector (Podshivalova, Pylaeva and Kuzmina, 2019, p. 27).

In the USA, access to finance has remained a major challenge in developing a range of private companies, including non-investment companies and small and medium-sized enterprises. The financial and economic crisis that arose from the COVID-19 pandemic has exacerbated this challenge. Many companies have been subjected to a double shock

involving stress directly on the real economy, which, together with an increased credit level, has led to a decline in output and consumption. Government aid provides much-needed assistance to private companies. However, many still have limited access to liquidity assistance in financial distress.

In 2020, at least 15 grants and subsidies were introduced. These were classified into three types. First, some grants were designed to provide immediate assistance to SMEs experiencing severe sales losses (Hoshi, Kawaguchi and Ueda, 2022, p. 4). There was also the Business Continuity Grant and the Office Rent Grant. All these grants were administered by the central government (Small and Medium Enterprise Agency).

2.9 Barriers to Support Programmes Access

Audet, Berger-Douce and St-Jean (2017, p. 26) stated that small business owners have specific expectations of support organisations and their employees. Understanding the owners' culture, goals, business context, and working methods are critical for the agency staff. As a result, services are based on listening and dialogue. Advisors should draw on the owner's ideas as a learning method rather than providing prefabricated solutions to management problems.

Most small business owners blame the government for their problems, including paperwork and formalities, income tax, and other tax requirements and policies that discriminate against small businesses (Audet, Berger-Douce and St-Jean, 2017, p. 27). They are almost certain to negatively perceive support agencies if they associate them with the government (Arshad *et al.*, 2020, p. 8).

Owners also expect services that meet their needs which vary depending on the firm's activity sector or stage of development as well as the owners' ambitions (Louis and Macamo, 2019, p. 48). Support agencies must segment their markets and shape their service offerings to meet the specific needs of different client groups (North *et al.*, 2018, p. 22).

Piza *et al.* (2018, p. 39) asserted that even though numerous agencies and programmes are designed to assist small businesses, some owners may be unaware of their existence or that programmes are available to meet their needs. Audet, Berger-Douce and St-Jean

(2017, p. 29) and Bartik *et al.* (2020, p. 17) found that women entrepreneurs frequently face structural barriers that prevent them from fully participating in economic activity, the most significant being access to capital, networks, and social support. Indeed, women are less likely than men to seek loans from financial institutions (Audet, Berger-Douce and St-Jean, 2017, p. 12).

2.10 Why Do Small Businesses Fail?

Kalane (2015, p. 51) found that in South Africa, small businesses do not only fail because there is no government intervention. There is also a lack of financial and business management, which makes it very difficult to run a business. When these skills are unavailable, things such as business cash flow are affected, negatively impacting the company (Kalane, 2015, p. 49).

According to Khoase and Ndayizigamiye (2018, p. 63), failure is also attributed to entrepreneurs that rely on their start-up capital to run their businesses and often have limited knowledge of the procedures to follow when applying for a loan (Kapinos, 2021, p. 12). Furthermore, several businesses are unaware of the financial institutions that may be able to support them. In the development cycle of small firms, the start-up stage is critical.

2.11 Role of Small Businesses on the Economy

Eton *et al.* (2021, p. 6) emphasised that governments must support SMEs by ensuring they play their role in assisting countries' economies to improve. It is further indicated that in sub-Saharan Africa and Uganda, in particular, SMEs face many more challenges; as a result, their survival and operations are affected. Mkhonza and Sifolo (2021, p. 337) stated that SMEs are growth engines that encourage a competitive and efficient market critical for reducing poverty; SMEs play an important role in achieving economic and social development goals.

According to Keskin *et al.* (2010, p. 731), SMEs have traditionally played an important part in the global economy. Small and medium-sized businesses (SMEs), which are the engine of economic growth, significantly impact economic activity. SMEs continue to be important in developing countries and even in developed and industrialised countries. It should be highlighted that SMEs, whose role has become evident in resolving employment issues,

have gained prominence in Europe since the 1970s. The importance of the SME sector is widely acknowledged due to its considerable contribution to achieving various socioeconomic goals, including increased employment, output, export promotion, and entrepreneurship (Keskin *et al.*, 2010, p. 738).

There is a need for government intervention since small businesses fail to achieve countries' economic objectives as they cannot independently grow (Khoase, 2011, p. 83). At the same time, consumers are not able to solve problems that are enterprise created; thus, the government needs to intervene. The government should develop regulations to guide competition in a specific market. Due to an increase in the unemployment levels in the country, SMMEs provide about 52% of employment in South Africa (Mkhonza and Sifolo, 2021, p. 739).

Small businesses play a vital role in the economy of any other country. They are important at both the individual level and the country's economic development as they create jobs and improve the standard of living for employees and employers. Engines for growth, innovation, creativity, career, and productivity are found in entrepreneurship (Amadhila, 2020, p. 23). Approximately 78% of registered companies in Namibia are small businesses; it can be concluded that the Namibian economy highly depends on small businesses (Amadhila, 2020, p. 23).

According to the OECD (2017, p. 7), SMEs are important participants in the economy and the larger business ecosystem. SMEs play an essential role in achieving the Sustainable Development Goals (SDGs) by promoting inclusive and sustainable economic growth, providing employment and decent work for all, promoting sustainable industrialisation and fostering innovation, and reducing income inequalities across countries at all levels of development (OECD, 2017, p. 8).

Development in rural regions is one of the roles played by SMEs. Due to the availability of land, cheap labour and raw materials, many businesses have relocated to rural areas. This has allowed the location where these firms operate to grow. SMEs help to reduce rural-urban migration by creating revenue through their contributions to economic activities such as agriculture, services, and commerce, as well as providing job possibilities (UKessays, 2018, para. 5). They account for almost 90% of enterprises and more than half of all jobs

around the globe. In emerging economies, formal SMEs account for up to 40% of national income (GDP). The numbers are much higher when informal SMEs are included (World Bank, 2020, para. 1&2).

Internationally, Lesotho is ranked 104th in the World Bank's Doing Business 2018 Report, with a distance to the frontier score of 60.42. (on a 0 - 100 scale). It is ranked seventh in sub-Saharan Africa for *ease of doing business* (World Bank Report, 2018, para. 5). According to the report, some beneficial changes have occurred in recent years, including the establishment of the One-Stop Business Facilitation Centre and the Credit Bureau which serves 7.5% of the adult population. Acquiring building permits was also expedited with the implementation of computerised technologies in August 2017. The Second World Bank Private Sector Competitiveness and Economic Diversification Project aided these improvements.

According to the World Bank Report (2020, para. 8), the MSME sector makes the following statistical contributions: Even though micro and small businesses account for 97% of all businesses in Lesotho, large businesses employ over half of the population; fruits and vegetables are grown primarily by smallholders for subsistence consumption; skills and productivity are low; about 300 fruit and vegetable farmers produce primarily for the market, but fewer than 10 have regular contracts with supermarkets; and firms with fewer than 20 employees account for 97% of all businesses in Lesotho (and micro and small businesses employ over half of the population).

2.12 Conclusion

The measures put in place by developed and emerging economies to aid small businesses were explored in this chapter. Most governments have programmes to support small businesses because they recognise that despite their importance in economic development, they require assistance. The policies aim to address issues such as access to finance, infrastructural development, market access, and technical development that small businesses face. The level of help supplied varies depending on the country's development. Since small businesses have only contributed moderately to economic growth in several developing nations, much is needed to enhance the amount of support.

Chapter 3

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodological dimension of the study. It summarises the research paradigm within which it was conducted and presents the conceptual framework that guided the study. This chapter highlights the methods and techniques used for this study, concluding with the context within which this study was conducted.

3.2 Research Design

The research design provides a plan for research data collection, data measuring, and analysis to achieve the research objectives (Osuagwu, 2020, p. 46). A plan is a strategy used to achieve a goal (Sekaran and Bougie, 2016, p. 91). The study was conducted using a quantitative and descriptive research design. The phenomena observed in descriptive research are already available. A researcher must collect the available data through the use of research instruments such as tests, questionnaires, interviews, or even observation (Atmowardoyo, 2018, p. 197). The main goal of descriptive research is to systematically describe the existing phenomena in the study (Atmowardoyo, 2018, p. 197). Bryman *et al.* (2014, p. 30) state that quantitative research is a distinctive research approach that entails the collection of numerical data, regards the relationship between theory and research as deductive, prefers a natural science approach in general (positivism in particular), and adopts an objectivist conception of social reality.

3.2.1 Research Paradigm

The research was guided by the positivism paradigm. For Bryman *et al.* (2014, p. 12), positivism emphasises the importance of using or imitating the methods of natural science. In the positivist paradigm, scientific research concentrates on clarification and prediction. In order to simplify this study's research process theoretically, the hypothetic-deductive science model was used (Joslin and Muller, 2018, p. 24). The research occurred in a

dualistic and objective manner, with the researcher not interacting with participants when they completed the questionnaires. This minimised researcher bias. Nature theories rely on empirical data with larger samples to generalise them. This study used objectivism as an ontological stance, implying that social phenomena are external facts beyond one's reach or influence. There were minimum errors in this study since positivism dictates a certain set of laws and rules that must be followed.

3.3 Sampling Strategy

This study's target audience consisted of small business owners. The study's participants were chosen and recruited using a non-probability convenience sampling technique. A non-probability convenience sampling was identified as an appropriate technique for this study as most Lesotho small businesses are not legally registered. The chance or likelihood of a subject being included in the sample is unknown in non-probability sampling (Etikan and Bala, 2017, p. 3). Small business owners who participated in this study were obtained from meetings held by the Lesotho Chamber of Commerce, Ministry of Small Business, Lesotho National Development Cooperation (LNDC), and The Basotho Enterprise Development Corporation (BEDCO). This approach assisted the researcher in using participants who have not had assistance and those who have received assistance, thus obtaining a balanced view and avoiding having a one-sided/biased view. The Lesotho Chamber of Commerce and Ministry of Small Businesses have lists of small business owners irrespective of whether they have received any assistance, while support institutions only keep records of those they have assisted. Since the questionnaire was online/computer-based, only Maseru CBD, Ha Thetsane, Thabong, Lekhaloaneng, Borokhoaneng, Ha Motsoeneng, Ha Matala, Ha Abia and Lakeside small business owners who have access to laptop/desktop and internet were approached.

The researcher visited small business owner's meetings at the Lesotho Chamber of Commerce and the Ministry of Small Business to recruit participants. A specific time was given to the researcher to talk to small business owners about the research and the need for participation. The researcher indicated the importance of participation in the research, emphasising that participation was voluntary. Those interested in participating completed a form to provide their contact details, including an e-mail address for the researcher to send the questionnaire link.

3.3.1 Sampling design

The population size remains unknown since some small businesses are not legally registered. It is, therefore, not possible to know exactly how many small businesses exist. However, it was important to choose a sampling design that would be the most appropriate for research of this nature. Non-probability, convenience sampling was identified as an appropriate technique for this study. Non-probability sampling methods are less objective than probability techniques. They are a type of sampling in which the researcher uses sampling that does not allow each member of a target population to participate in a study. Rather, the participants are selected by the researcher, referred to the researcher, or self-select to participate in a study (Stratton, 2021, p. 373).

From a list obtained from the Ministry of Trade and Industry and Lesotho Chamber of Commerce, the researcher selected those who have included their email addresses and contact details as they would be easier to follow up. Small business owners from the remote areas in the Maseru district, as well as those from other districts apart from Maseru, were not selected. The reason for their non-selection is that most of them did not have internet access, and the researcher would have had to hand-deliver the questionnaires and collect them after completion. This would have been a very costly exercise.

3.3.2 Sample size

The targeted number of participants was 250. As a result, 270 questionnaire links were sent to SME owners. While the targeted number of participants was 250, more questionnaires were distributed to cater for non-response. Time constraints and considerations of costs were observed in deciding what number of participants was adequate to achieve the main research objectives. The total number of responses was 239, representing a 95.6% expected response rate.

3.4 Data Collection

According to Mkandawire (2019, p. 148), data are unprocessed, unorganised, and unanalysed facts which have little value and offer little benefit to managers and decision-makers. They are founded on facts which could include anything known to be true or exists (Sekaran and Bougie, 2016, p. 18). In order to collect data from the targeted respondents,

a structured self-completion/self-administered questionnaire was developed. It was written in English and interpreted in Sesotho. This structured questionnaire was a (web-based) online/computer-based survey where participants accessed the questionnaire at their own convenience and in the comfort of their offices or home. A link to the structured questionnaire was sent to a list of small business owners in Maseru, Lesotho acquired from relevant stakeholders.

The link remained open until the required number of participants was reached. Descriptive survey questions were used to gain information about the small business support programme. The amount of planning invested in the process was key to designing an efficient data collection form. All the information needed was stored in such a way that was accessible for data analysis; one can use the test formula as a data collection form (Salkind, 2014, p. 157).

3.4.1 Biographical questions

Questionnaires included biographical questions intended to gather information on biography and demography from the selected sample. The biographic information included age and gender. Participants had to tick the corresponding box for male or female to indicate their gender. For the purpose of age groupings, an ordinal scale was used with the following groupings: 25 years or less, 26 to 35 years, 36 to 45 years, and 46 or above. For marital status, the classification was as follows: Married, Single, Widowed, Divorced, and Other for those who felt they did not fit into any of the categories mentioned.

The demographic variables included the highest education level and occupation. The classification of the education level was as follows: Form E (C.O.S.C) and below, Certificate, Diploma, Degree and above Degree. Form E is a Lesotho qualification equivalent to South African Matric. Occupation categories included Public Officer and Business Owner, Private Sector and Business Owner and Business Owners only. This was intended to determine how many small business owners are working and conducting business at the same time as opposed to those who are doing business only.

3.4.2 Small Business Support Programme Questions

The questionnaire intended to obtain information about how many business owners know about small business support programmes, the types of these programmes, the institutions that offer programmes, and what is needed to access the programmes. The questionnaire also intended to determine whether the business owners have tried to access the programmes and why they did not try finding assistance if they had not.

The questions aimed to seek clarity from those who received assistance, whether the programmes effectively addressed their problems. Other questions were intended to determine what participants thought were the best programme options.

3.5 Data Analysis

Data collected through the questionnaires was uploaded onto the Statistical Package for Social Sciences (SPSS) version 22 used at the University of the Free State. With the assistance of the University statistician, the data were analysed using SPSS. The analysis of data included the use of frequency tables, charts, and graphs.

3.6 Ethical Considerations

Bryman *et al.* (2014, p. 120) asserted that it is good practice to consider potential ethical issues at the research design stage rather than when a particular issue is confronted. Ethical considerations are an important component of research. In any research, ethics refers to the moral principles and values that guide the research process to protect participants from any harm and/or prejudice caused by the research. It is important to consider the fundamentals of ethical research involving human participants (Fleming and Zegwaard, 2018, p. 208). Research ethics have emerged as a critical issue in educational research, and no study can be conducted without considering ethics. As a result, data collection for this research project began after ethical clearance had been sought and approved and a certificate of ethical clearance had been issued. Before conducting any research, the following ethical concerns should be considered: ethical clearance, informed consent, confidentiality and anonymity, and data sharing/dissemination.

For this research, all relevant stakeholders were approached to ensure ethical clearance was sought before the study began. It is fundamentally important to obtain human research ethics approval (Fleming and Zegwaard, 2018, p. 210). The central relevant departments were the Ministry of Small Business, Basotho Enterprises Development Corporation (Bedco), and Lesotho National Development Corporation (LNDC) under the Ministry of Trade and Industry.

Participants' consent was considered, and their responses remained confidential. Participants were also assured that their responses would only be used for this study and that no information would be shared with any other person or organisation without their consent. Participants also participated voluntarily in this study. No participant was coerced into participating, and no form of persuasion or deception was used to gain individual trust.

All responses were kept safe. Only the researcher had access to their responses. Also, the final report did not stipulate each individual's response to the questions posed in the questionnaire.

3.6.1 Study Authorisation

The researcher wrote a letter requesting authorisation from the Lesotho Chamber of Commerce and the Ministry of Trade and Industry to conduct this study, obtaining a list of participants. According to Hair, Page and Brunsveld (2020, p. 118), business ethics is relevant to researchers because ethical issues occur throughout the research process. The Lesotho Chamber of Commerce responded and authorised the study and further requested the researcher to share a copy of the final findings with their organisation as it could help assist small businesses.

3.6.2 Objectives

Conclusions were drawn from the analysis of the actual data. The study adopted a quantitative research design to ensure the objectivity of the obtained results, subsequently enabling the researcher to draw objective conclusions. Adopting objectivism as an ontological position implies that social phenomena are external facts beyond one's influence (Bryman *et al.*, 2014, p. 16). In order to ensure reliable feedback, the researcher emphasised the importance of responding to all questions appearing on the questionnaire. The

researcher avoided bias by stipulating that all questions regarding the questionnaire should be directed to the researcher. This ensured that participants received the same information about the questions. Objectivity needs to be upheld in the research process. Once the research begins, researchers should not let their values influence the collection and analysis of data, and they should not hide or alter research findings for their own beliefs or expectations (Nahrin, 2015, p. 2).

3.6.3 Confidentiality

Bryman *et al.* (2014, p. 123) emphasised the importance for participants to remain anonymous in business research except when a research method needs the identity of a participant and when it is relevant to the results. If there is this need for participant identity, a participant must have agreed to be associated with the research. In order to protect the identity of the participants, there was no need for them to include their names on the questionnaire. Principles of research ethics dictate that, where appropriate, researchers must take measures to protect subjects' privacy and maintain the confidentiality of any data collected or disseminated (Zimmer, 2018, p. 3).

3.6.4 Informed Consent / Non-coercion

An e-mail was sent to possible participants to invite them to participate in the research before sending them the questionnaire. The email specified the study purpose, and entrepreneurs were encouraged to participate in the research by responding to the questionnaire. Included in the questionnaire was a letter indicating the importance of the study. Providing informed consent typically includes the researcher proactively explaining the purpose of the research, the methods used, the possible outcomes of the research, and associated risks or harms that the participants might face (Zimmer, 2018, p. 5). The letter attached to the email also included the ethical considerations that were considered relevant for this research. Before responding to the questionnaire, participants were expected to indicate that they were participating voluntarily and had read and understood the contents of the letter mentioned above. The intention of this was to address the conditions set out for informed consent. Hair, Page and Brunsveld (2020, p. 87) highlighted that participants must indicate that they have details of a study and are voluntarily participating.

Furthermore, participants were expected to indicate that they were voluntarily responding to the questionnaire before they could start completing it. The cover letter indicated that participation in the study should be voluntary and that nobody should feel pressured to complete the questionnaire. Strict voluntary participation was enforced, and participants were free to withdraw their participation without compromising their relationship with the researcher or affecting their future participation. Therefore, as this could have compromised the results, no vulnerable participants were used. The researcher explained the sampling method to ensure that no participant felt the questionnaire was targeting certain individuals or intended to discriminate against another set of individuals.

3.7 Conclusion

This chapter discussed the research methodology employed in this study in detail. In addition, the discussion included the research design, sampling strategy, data collection and analysis, and ethical considerations. The questionnaires were designed to fit a quantitative research design for objectivity. SPSS was used for analysis while all ethical considerations were observed. Chapter 4 will highlight and interpret the findings in detail.

Chapter 4

DATA ANALYSIS AND INTERPRETATIONS

4.1 Introduction

In this chapter, the research design described in Chapter 3 was implemented. This chapter will present, analyse and interpret data collected through the self-administered questionnaire from respondents. The aim was to obtain two hundred and fifty (250) participating respondents from the questionnaires emailed to the target population. Two hundred and seventy (270) people indicated that they would like to participate, and the same number of questionnaires were distributed. In total, two hundred and thirty-nine (239) participants responded, representing 95.6% of the target population.

The chapter reports on the results obtained from the responses participants indicated in the questionnaire they completed. The questionnaire was designed in a way that would address the primary and secondary objectives of the study. The objectives included evaluating small business support programmes, determining types and barriers of small business support programmes and determining what can be done to improve the existing programmes.

4.2 Demographics variables

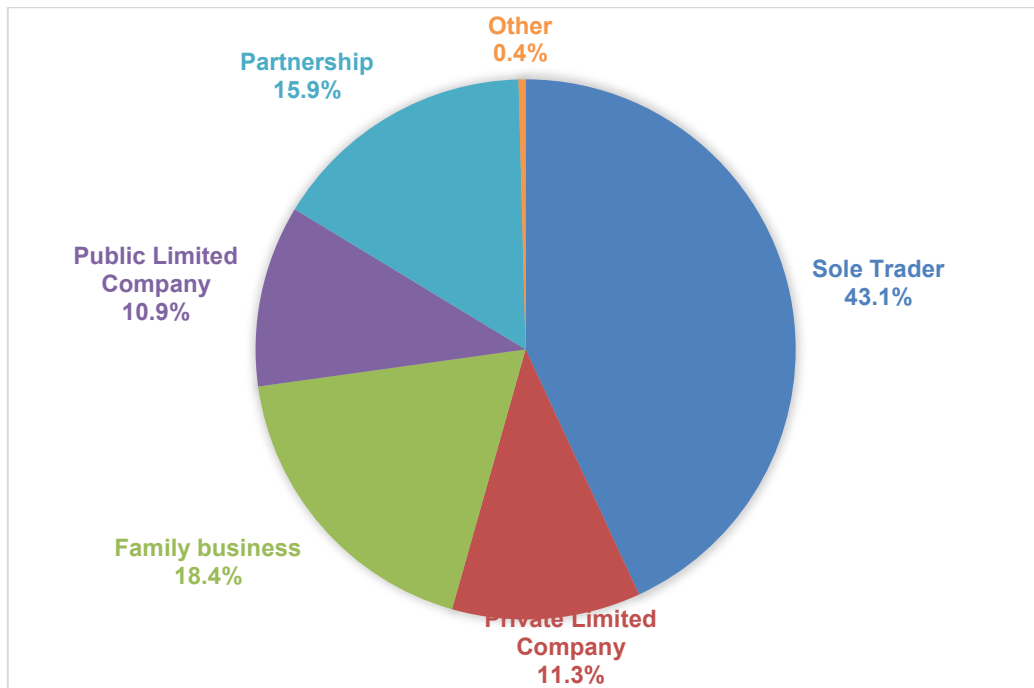
The study used frequency distributions to summarise the data and obtain a broader picture of the demographic variables, as well as the participants' responses to questions regarding access to small business support programmes in Maseru, Lesotho. Table 4.1 presents frequencies for the demographic variables: ownership, gender, age, qualification, how long the business has been in operation as well as industry.

Table 4.1: Demographic variables

Variable	Category	n	%
Ownership	Sole Trader	103	43,1%
	Private Limited Company	27	11,3%
	Family Business	44	18,4%
	Public Limited Company	26	10,9%
	Partnership	38	15,9%
	Other	1	0,4%
Gender	Male	111	46,8%
	Female	126	53,2%
Age	25 years or less	18	7,6%
	26 to 35 years	72	30,3%
	36 to 45 years	111	46,6%
	46 years & above	37	15,5%
Qualification	Form E (C.O.S.C) & below	12	5,0%
	Certificate	15	6,3%
	Diploma	66	27,6%
	Degree & above	146	61,1%
How long has the business been in operation?	1 year or less	23	9,6%
	2 to 5 years	93	38,9%
	6 to 10 years	77	32,2%
	11 years or more	46	19,2%
Industry	Farming	28	11,7%
	Retail	50	20,9%
	Transport	22	9,2%
	Construction	18	7,5%
	Manufacturing	26	10,9%
	Services	95	39,7%

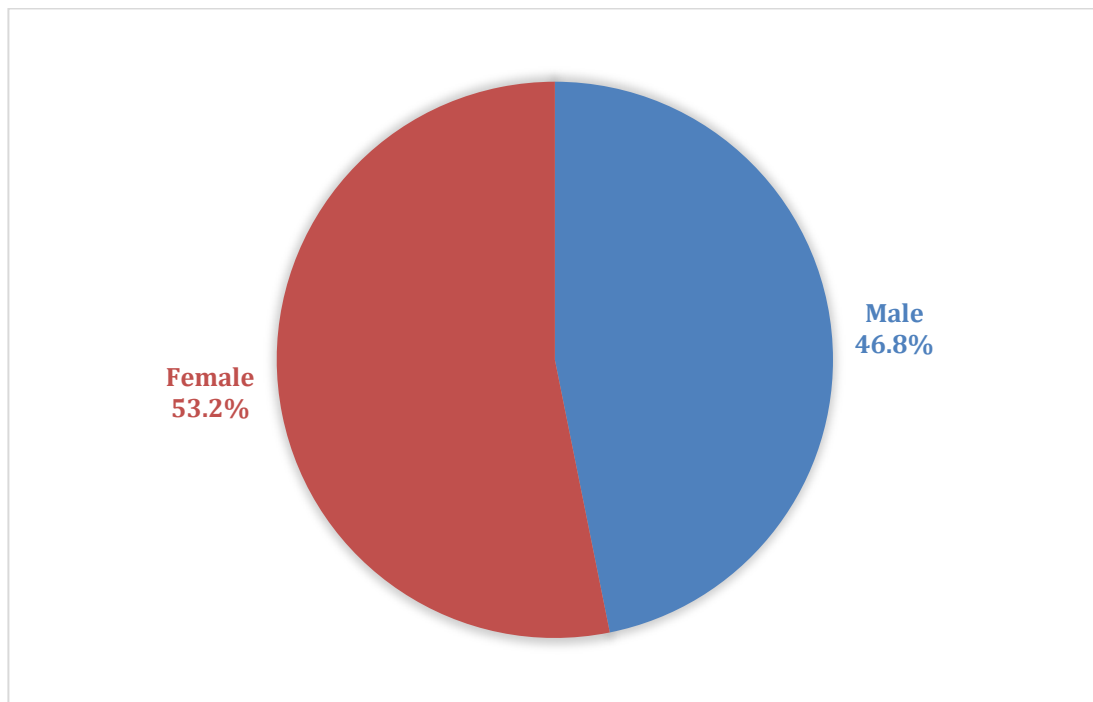
Of the 239 respondents, 43.1% are sole traders, 18.4% have a family business, 15.9% have a partnership, 11.3% have a private limited company, and 10.9% have a public limited company (see Figure 1).

Figure 1: Ownership



A total of 239 respondents completed the questionnaire, with 46.8% being male and 53.2% being female (see Figure 2).

Figure 2: Gender



The majority of the respondents are 36 to 45 years old (46.6%), 30.3% are 26 to 35 years old, 15.5% are 46 years and above, and 7.6% are 25 years and below (see Figure 3).

Figure 3: Age

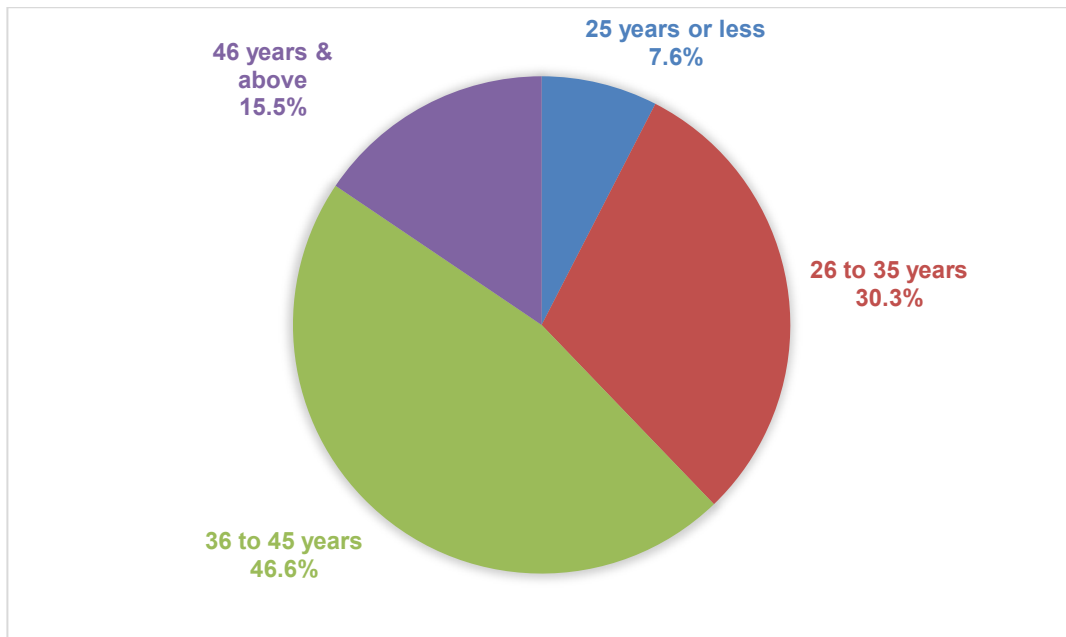
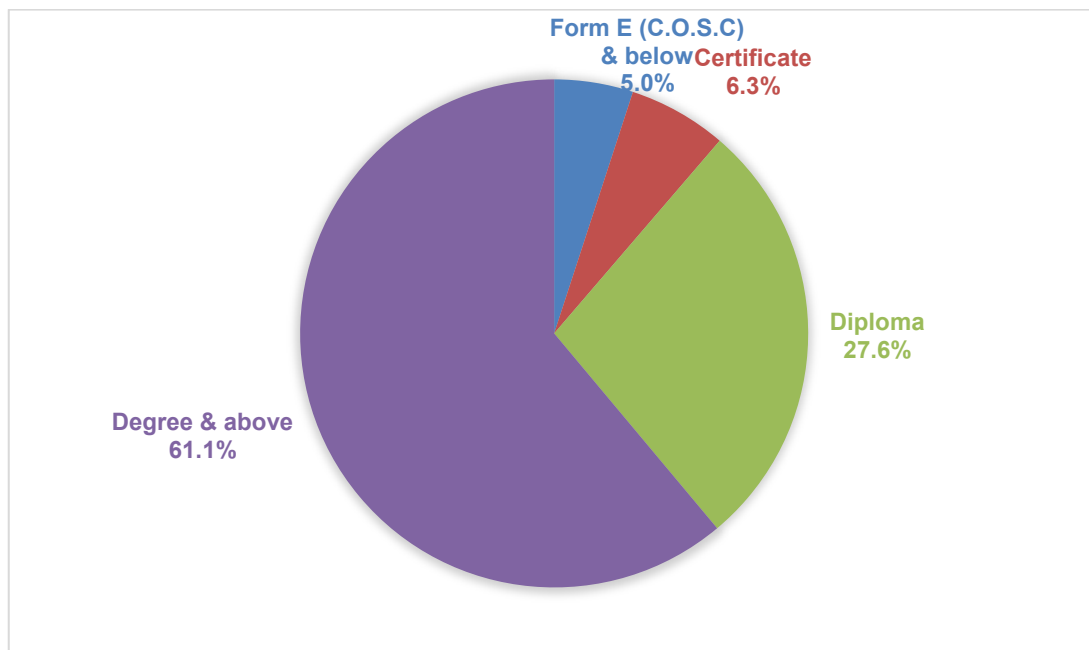


Figure 4 shows that 61.1% of the business owners have a degree and above as their highest qualification, 27.6% have a Diploma, 6.3% have a Certificate, and only 5% have Form E (C.O.S.C) and below.

Figure 4: Qualification



Regarding how long the business has been in operation, 38.9% of the owners have been in business for 2 to 5 years. A total of 32.2% have been in business for 6 to 10 years, 19.2% for 11 or more years and 9.6% have been in business for one year or less (see Figure 5).

Figure 5: Duration of business operation

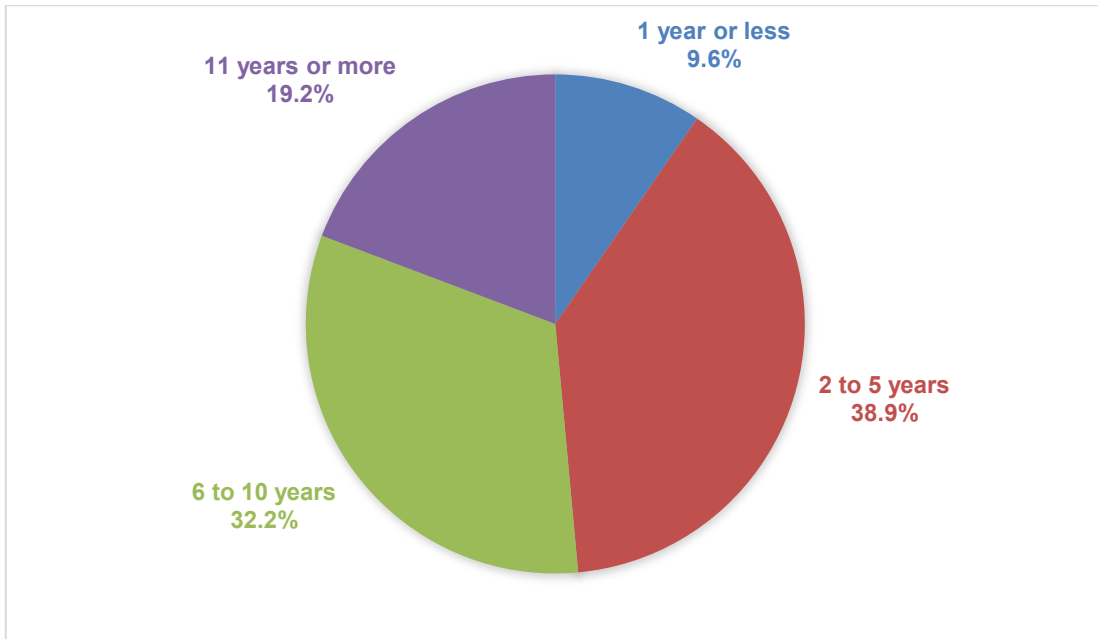


Figure 6 shows that the majority of the respondents are in the services industry, 20.9% in the retail industry, and 11.7% in the farming industry. The manufacturing industry has 10.9% of business owners, the transport industry has 9.2%, and 7.5% of business owners are in the construction industry.

Figure 6: Industry

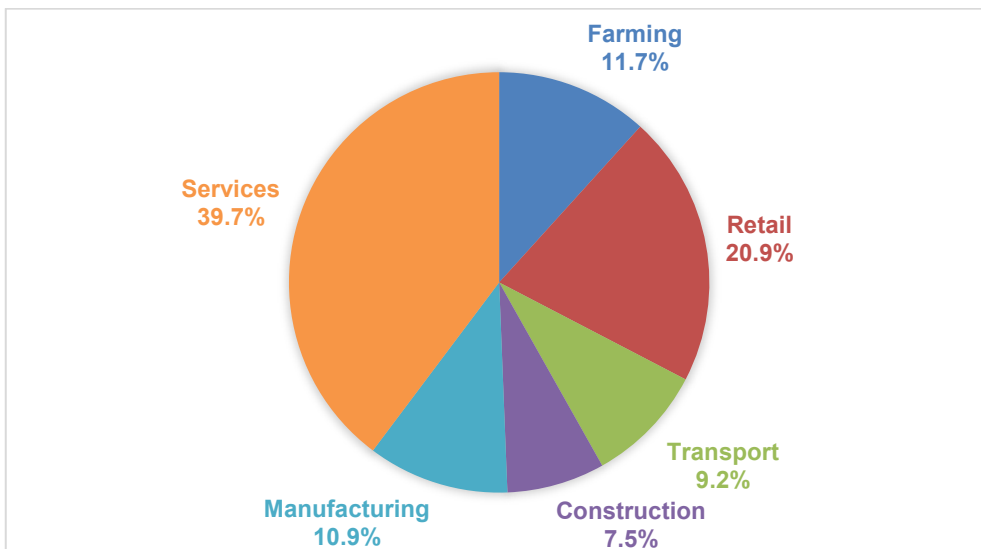


Figure 7 illustrates that 58.4% of the business owners are aware of the training support programme, 52.5% are aware of the grant support programme, 52.1% are aware of the low-

interest loan programme, and 47.1% are aware of the mentoring support programme. Moreover, 5% of the respondents do not know of any support programme.

Figure 7: Awareness of small business support programmes

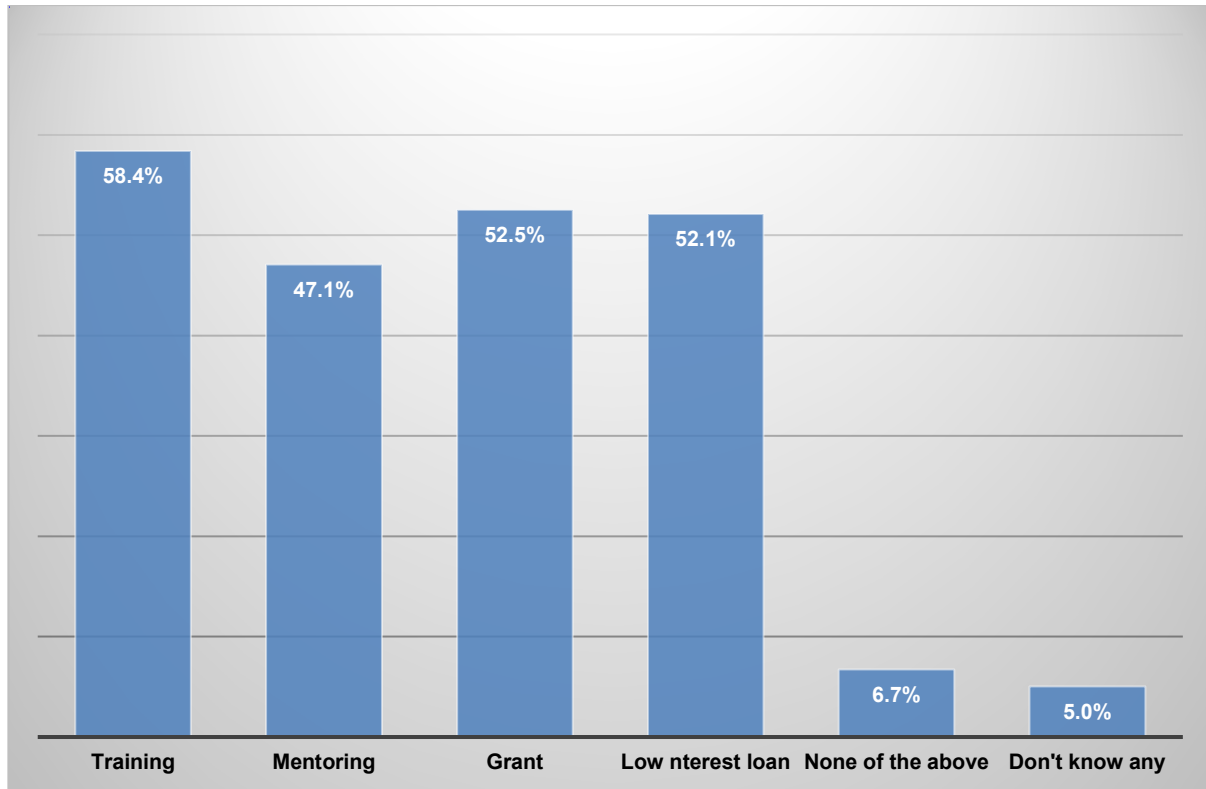


Table 4.2 indicates that 81.2% of the respondents know the BEDCO as a support institution/programme, followed by 69.9% who know the Ministry of Small Business. A total of 63.3% of business owners are aware of the LNDC, with 30.6% and 30.1% knowing the SADP and Moliko Trust as support institutions/programmes, respectively.

Table 4.2: Knowledge about support institution/programme

Variables		n	%
Which support institution/programme do you know of?	BEDCO	186	81,2%
	LNDC	145	63,3%
	Ministry of Small Business	160	69,9%
	Moliko Trust	69	30,1%
	SADP	70	30,6%
	Other	53	23,1%

4.3 Crosstabs with demographics vs Types of business support programme

Table 4.3 illustrates that 21% of business owners are sole traders who are aware of the training support programme.

Table 4.3: Relationship between business ownership and awareness of support programmes

Ownership		Training	Mentoring	Grant	Low-interest Loan	None of the above	Don't know
Sole Trader	n	50	39	49	47	7	7
	%	21.0%	16.4%	20.6%	19.7%	2.9%	2.9%
Private Limited Company	n	21	19	18	17	2	0
	%	8.8%	8.0%	7.6%	7.1%	0.8%	0.0%
Family business	n	29	22	22	17	2	4
	%	12.2%	9.2%	9.2%	7.1%	0.8%	1.7%
Public Limited Company	n	18	20	19	20	0	0
	%	7.6%	8.4%	8.0%	8.4%	0.0%	0.0%
Partnership	n	21	12	17	23	4	1
	%	8.8%	5.0%	7.1%	9.7%	1.7%	0.4%

Table 4.4 indicates that 28.4% of business owners are females who are aware of the training and grants as a support programme. Furthermore, 30.15% of males know more about training than other forms of support programmes.

Table 4.4: Relationship between gender and awareness of support programmes

Gender		Training	Mentoring	Grant	Low-interest Loan	None of the above	Don't know
Male	n	71	60	58	61	11	3
	%	30.1%	25.4%	24.6%	25.8%	4.7%	1.3%
Female	n	67	52	67	63	4	9
	%	28.4%	22.0%	28.4%	26.7%	1.7%	3.8%

Table 4.5 depicts that 13.4% of business owners have a diploma and know the training support institution/programme. It can also be observed that the higher the qualification, the higher the chances that business owners will know about different support programmes. In terms of the degree and above qualification holders, 42% know training, 34.5% know mentoring, 41.2% know grants, and 36.1% know low-interest loans as support programmes.

Table 4.5: Qualification vs knowledge of support programmes

Qualification		Training	Mentoring	Grant	Low-interest Loan	None of the above	Don't know any
Form E (C.O.S.C) & below	n	1	1	1	4	3	5
	%	0.4%	0.4%	0.4%	1.7%	1.3%	2.1%
Certificate	n	6	3	2	8	2	2
	%	2.5%	1.3%	0.8%	3.4%	0.8%	0.8%
Diploma	n	32	26	24	26	6	3
	%	13.4%	10.9%	10.1%	10.9%	2.5%	1.3%
Degree & above	n	100	82	98	86	5	2
	%	42.0%	34.5%	41.2%	36.1%	2.1%	0.8%

Table 4.6 shows that 3.9% of business owners are in the transport industry and know the Moliko Trust support institution/programme. Only 7.9% know about SADP as an institution that supports small businesses in the farming industry.

Table 4.6: Industry vs support institution

Industry		BEDCO	LNDC	Min of Small Business	Moliko Trust	SADP	Other
Farming	n	17	12	13	9	18	5
	%	7.4%	5.2%	5.7%	3.9%	7.9%	2.2%
Retail	n	44	26	33	7	6	4
	%	19.2%	11.4%	14.4%	3.1%	2.6%	1.7%
Transport	n	14	11	12	9	7	5
	%	6.1%	4.8%	5.2%	3.9%	3.1%	2.2%
Construction	n	15	12	15	5	5	5
	%	6.6%	5.2%	6.6%	2.2%	2.2%	2.2%
Manufacturing	n	25	21	25	13	12	11
	%	10.9%	9.2%	10.9%	5.7%	5.2%	4.8%
Services	n	71	63	62	26	22	23
	%	31.0%	27.5%	27.1%	11.4%	9.6%	10.0%

Business owners were asked if they attempted to access a business assistance programme. Only 34% said they attempted, while 66% did not attempt (see Table 4.7).

Table 4.7: Attempt to access the business support programme

Have you ever attempted to access a business assistance programme?	n	%
Yes	81	34%
No	157	66%

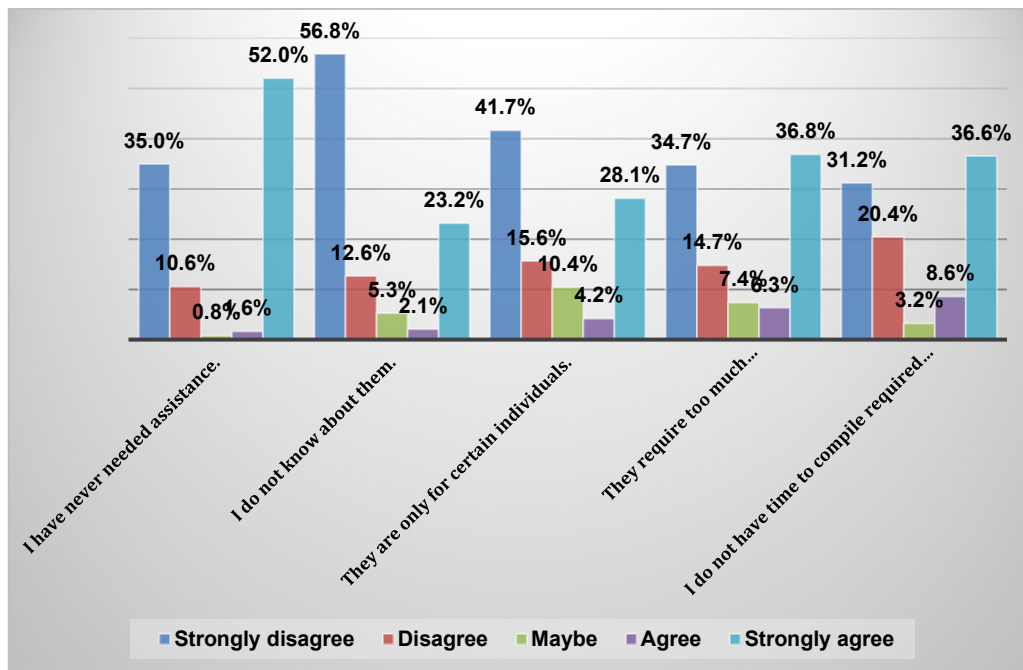
Participants were asked what barrier stopped them from attempting to access business assistance. Table 4.8 illustrates the results.

Table 4.8: Barriers

Barrier		Strongly disagree	Disagree	Maybe	Agree	Strongly agree
I have never needed assistance	n	43	13	1	2	64
	%	35.0%	10.6%	0.8%	1.6%	52.0%
I do not know of them	n	54	12	5	2	22
	%	56.8%	12.6%	5.3%	2.1%	23.2%
They are only for certain individuals	n	40	15	10	4	27
	%	41.7%	15.6%	10.4%	4.2%	28.1%
They require too much information/documentation	n	33	14	7	6	35
	%	34.7%	14.7%	7.4%	6.3%	36.8%
I do not have time to compile the required paperwork	n	29	19	3	8	34
	%	31.2%	20.4%	3.2%	8.6%	36.6%
I do not understand the required documents	n	38	17	7	1	21
	%	45.2%	20.2%	8.3%	1.2%	25.0%
I do not want conditions coming with assistance	n	43	17	6	2	12
	%	53.8%	21.3%	7.5%	2.5%	15.0%
I do not want to be told how I should run business operations	n	48	13	5	3	12
	%	59.3%	16.0%	6.2%	3.7%	14.8%
They don't provide a quick solution	n	34	14	9	5	22
	%	40.5%	16.7%	10.7%	6.0%	26.2%
I might waste time and be unsuccessful	n	36	13	2	2	30
	%	43.4%	15.7%	2.4%	2.4%	36.1%

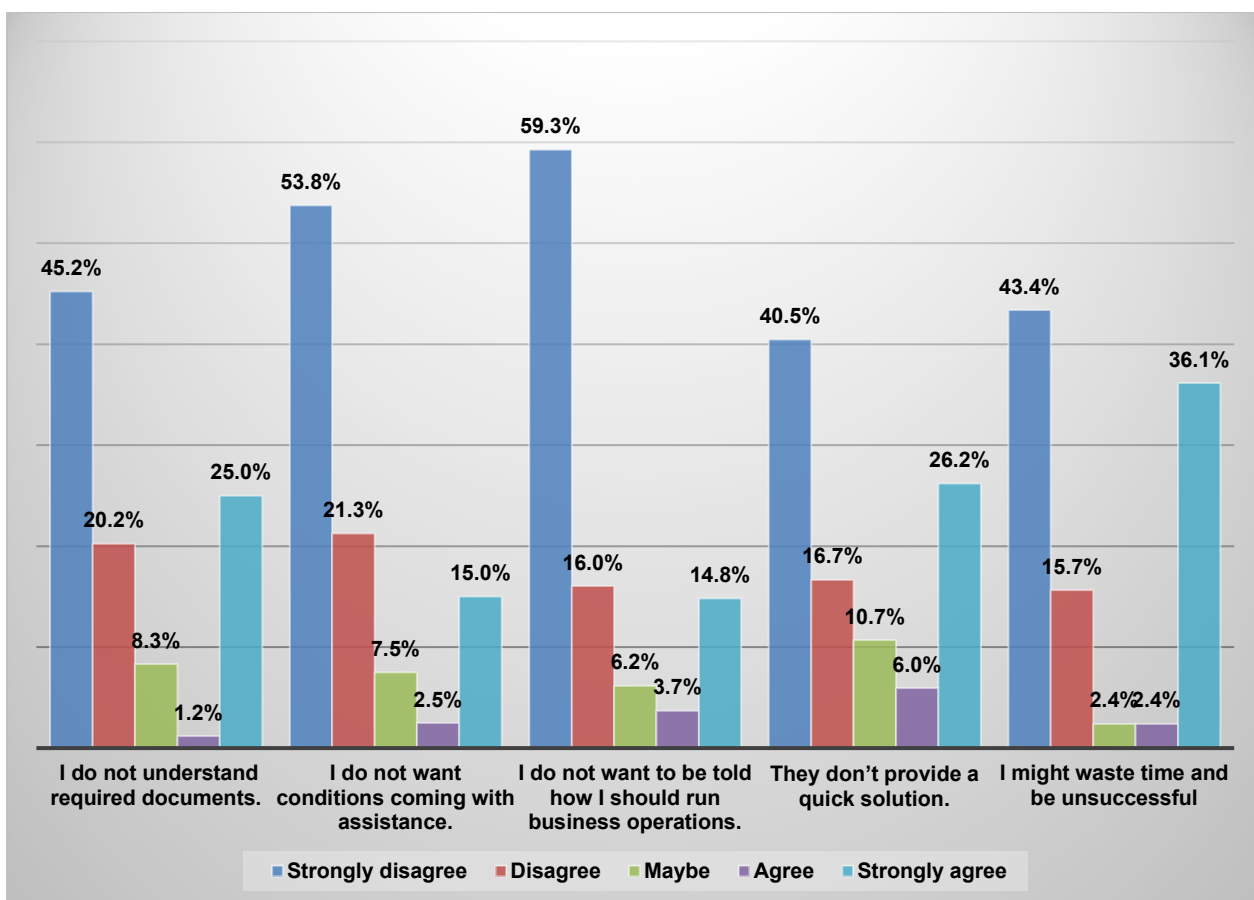
Some business owners who had not attempted to access a business assistance programme highlighted a few barriers that stopped them from attempting to access business assistance. Of 157 respondents, 52% said they have never needed assistance, with 36.8% indicating that too much information/documentation is required and 36.6% highlighting that they do not have time to compile the required paperwork.

Figure 8a: Barrier that stopped small business owners from attempting to access business assistance



In addition, of the business owners who have not attempted to access a business assistance programme, 45.2% understood the required documents, and 43.4% believed they would be unsuccessful. A total of 53.8% strongly disagreed that they did not want conditions coming with assistance, and 59.3% also strongly disagreed that they did not want to be told how they should run business operations. On the contrary, only 25% strongly agreed that they did not understand the required documents, 15% strongly agreed that they did not want conditions that come with assistance, 14.8% strongly agreed that they did not want to be told how they should run their businesses, 26.2% strongly agreed that support programmes did not provide a quick solution, and 36.1% strongly agreed that they might waste time in applying and be unsuccessful.

Figure 8b: Barriers that stopped small business owners from attempting to access business assistance

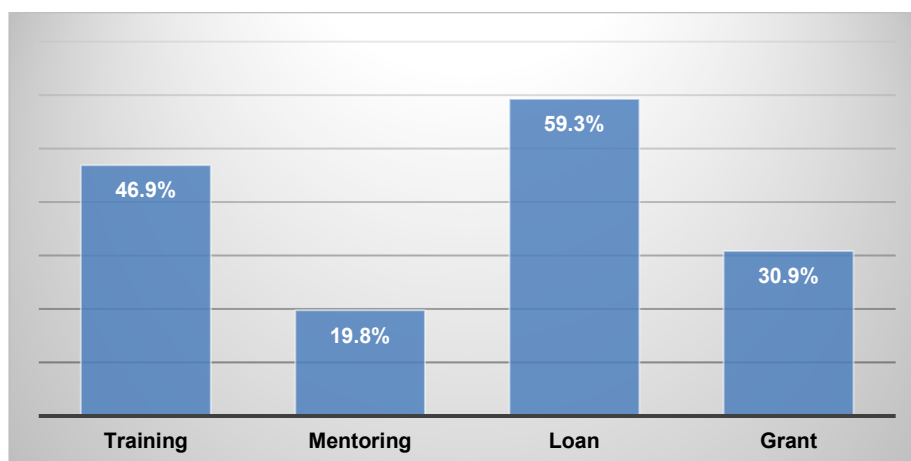


Of the 81 respondents who attempted to access a business support programme, 59.3% of them highlighted that their business needed a loan, 46.9% of the businesses needed training, 30.9% of the businesses needed grants, and 19.8% of them highlighted that their business needed mentoring (see Table 4.9 and Figure 9).

Table 4.9: Type of assistance owners needed for their business

Type of Assistance	n	%
Training	38	46.9%
Mentoring	16	19.8%
Loan	48	59.3%
Grant	25	30.9%

Figure 9: Type of assistance owners need for their business



Furthermore, 46.9% of business owners requested assistance from BEDCO, 18.5% from LNDC, 32.1% from the Ministry of Small Business, 22.2% from Moliko Trust, and 16% from SADP and 17.3% requested assistance from PCGF (see Figure 10).

Table 4.10: Institutions where business owners requested support/assistance

Institution	n	%
BEDCO	38	46.9%
LNDC	15	18.5%
Ministry of Small Business	26	32.1%
Moliko Trust	18	22.2%
SADP	13	16.0%
PCGF	14	17.3%
Other	4	4.9%

Figure 10: Institutions where business owners requested support/assistance

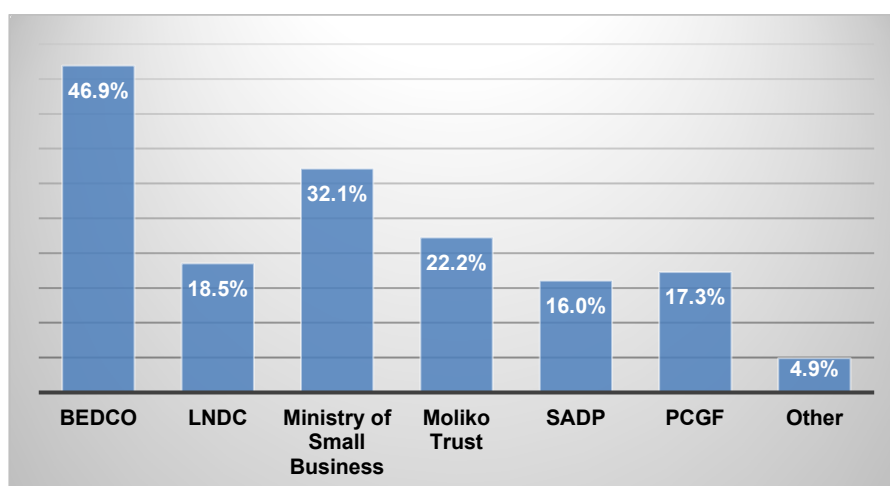


Table 4.11 illustrates that of the business owners who needed training, 25.6% requested assistance from BEDCO, 14.1% from LNDC, 28.2% from the Ministry of Small Business, 9% from the Moliko Trust, 9% from the SADP, and 6.4% requested assistance from PCGF. With reference to business owners who needed mentoring, 11.5% requested assistance from BEDCO, 7.7% from LNDC, 14.1% from the Ministry of Small Business, 1.3% requested assistance from the Moliko Trust, 1.3% from the SADP, and 1.3% from PCGF. Furthermore, of the business owners who needed loans, 37.2% requested assistance from BEDCO, 10.3% from LNDC, 15.4% from the Ministry of Small Business, 17.9% from the Moliko Trust, 10.3% from the SADP, and 12.8% requested assistance from PCGF. Regarding business owners who needed grants, 15.4% requested assistance from BEDCO, 7.7% from LNDC, 6.4% from the Ministry of Small Business, 7.7% requested assistance from the Moliko Trust, 6.4% from the SADP, and 7.7% from PCGF.

Table 4.11: Institutions vs Type of assistance

Variables			Type of Assistance			
			Training	Mentoring	Loan	Grant
Institution	BEDCO	n	20	9	29	12
		%	25,6%	11,5%	37,2%	15,4%
	LNDC	n	11	6	8	6
		%	14,1%	7,7%	10,3%	7,7%
	Ministry of Small Business	n	22	11	12	5
		%	28,2%	14,1%	15,4%	6,4%
	Moliko Trust	n	7	1	14	6
		%	9,0%	1,3%	17,9%	7,7%
	SADP	n	7	1	8	5
		%	9,0%	1,3%	10,3%	6,4%
	PCGF	n	5	1	10	6
		%	6,4%	1,3%	12,8%	7,7%
	Other	n	2	1	2	1
		%	2,6%	1,3%	2,6%	1,3%

Table 4.12 illustrates that 67.4% of the business owners have been successful when attempting to seek assistance from any business support programme, while 28.5% have been unsuccessful.

Table 4.12: Unsuccessful attempt when seeking business support programme

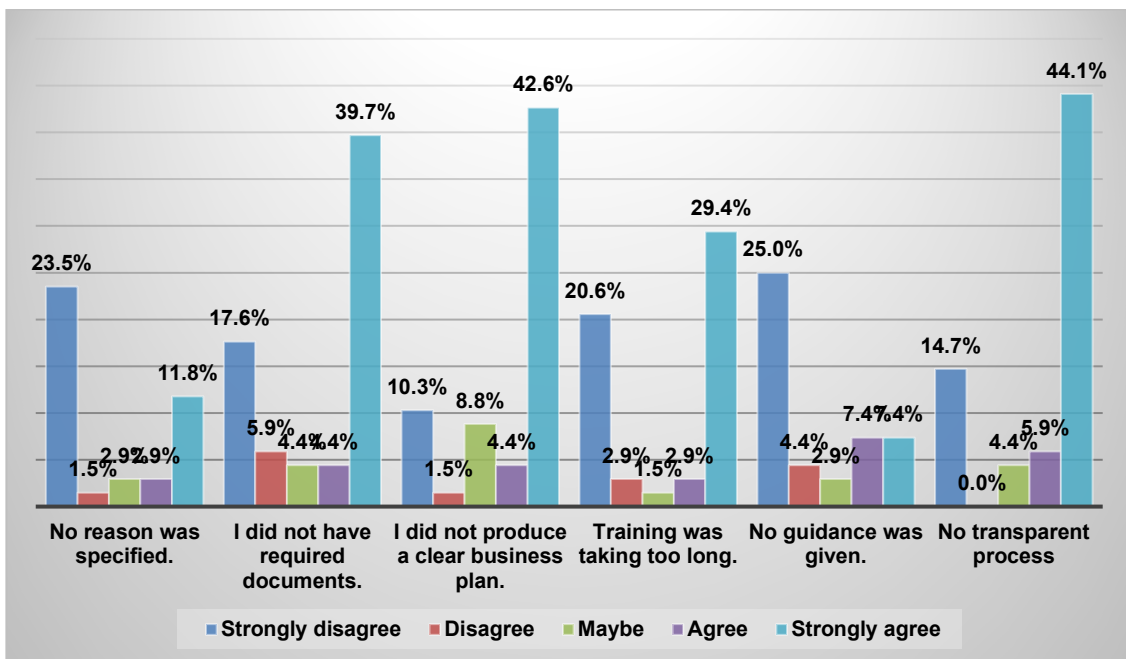
Have you ever been unsuccessful in seeking assistance from any business support programme?	n	%
Did not answer	10	4.2%
Yes	68	28.5%
No	16 1	67.4%

For those who were not successful in acquiring assistance, 39.7% did not have the required documents, 42.6% did not produce a clear business plan, 29.4% highlighted that training was taking too long, while 44.1% indicated the lack of a transparent process (see Table 4.13)

Table 4.13: Barrier in acquiring support/assistance (Answered 'Yes' to Question 13)

Barrier		Strongly disagree	Disagree	Maybe	Agree	Strongly agree
No reason was specified	n	16	1	2	2	8
	%	23.5%	1.5%	2.9%	2.9%	11.8%
I did not have the required documents	n	12	4	3	3	27
	%	17.6%	5.9%	4.4%	4.4%	39.7%
I did not produce a clear business plan	n	7	1	6	3	29
	%	10.3%	1.5%	8.8%	4.4%	42.6%
Training was taking too long	n	14	2	1	2	20
	%	20.6%	2.9%	1.5%	2.9%	29.4%
No guidance was given	n	17	3	2	5	5
	%	25.0%	4.4%	2.9%	7.4%	7.4%
No transparent process	n	10	0	3	4	30
	%	14.7%	0.0%	4.4%	5.9%	44.1%

Figure 11: Participants' view regarding their unsuccessful outcome in acquiring assistance



The One-Sample Wilcoxon Signed Rank test was used to determine the level of significance of the different barriers to success in acquiring assistance from an average position of 3 (i.e., maybe). This test was used as the statements measuring the level of agreement for the effects of assistance on businesses was measured on a Likert-type scale, ranging from strongly disagree (1) to strongly agree (5), commonly treated as an ordinal scale. The test was used to determine if the central location (i.e., median) of the responses of the effects differed from 3. The choice of 3 was chosen as the scale of strongly disagree (1) to strongly agree (5) is in the centre and represents a neutral position of 'maybe', a cut-off point between disagreement and agreement.

In this One-Sample Wilcoxon Test, the null hypothesis indicates that the median is equal to 3. If it is rejected, the respondents either agreed or disagreed with the effect of assistance on businesses. In order to determine statistical significance, a significance level of 0.05 was used for all the analyses in this study (Salkind, 2010; Bryman *et al.*, 2014). A p-value that was less than 0.05 indicated statistical significance, while a p-value that was greater than 0.05 indicated statistical insignificance. The null hypothesis was rejected when the p-value was less than 0.05, which means the level of agreement was statistically different from the median of 3. The researcher also explored whether the specific median being tested was lower or higher than 3. The respondents disagreed with that barrier if it was lower than 3. If

it was higher than 3, the respondents agreed with that particular barrier. The results of the One-Sample Wilcoxon Sign Test are presented in Table 4.14.

Table 4.14: One-Sample Wilcoxon Test (Barrier) unsuccessful

Barrier (unsuccessful)	Median	Std. Deviation	t-statistic	p-value	Median Difference	95% Confidence Interval of the Difference	
						Lower	Upper
No reason was specified	1.06	1.701	-9.413	0.000	-1.941	-2.35	-1.53
I did not have the required documents	2.59	2.194	-1.548	0.126	-0.412	-0.94	0.12
I did not produce a clear business plan	2.71	2.253	-1.076	0.286	-0.294	-0.84	0.25
Training was taking too long	1.90	2.180	-4.173	0.000	-1.103	-1.63	-0.58
No guidance was given	1.09	1.600	-9.854	0.000	-1.912	-2.30	-1.52
No transparent process	2.72	2.278	-1.011	0.315	-0.279	-0.83	0.27

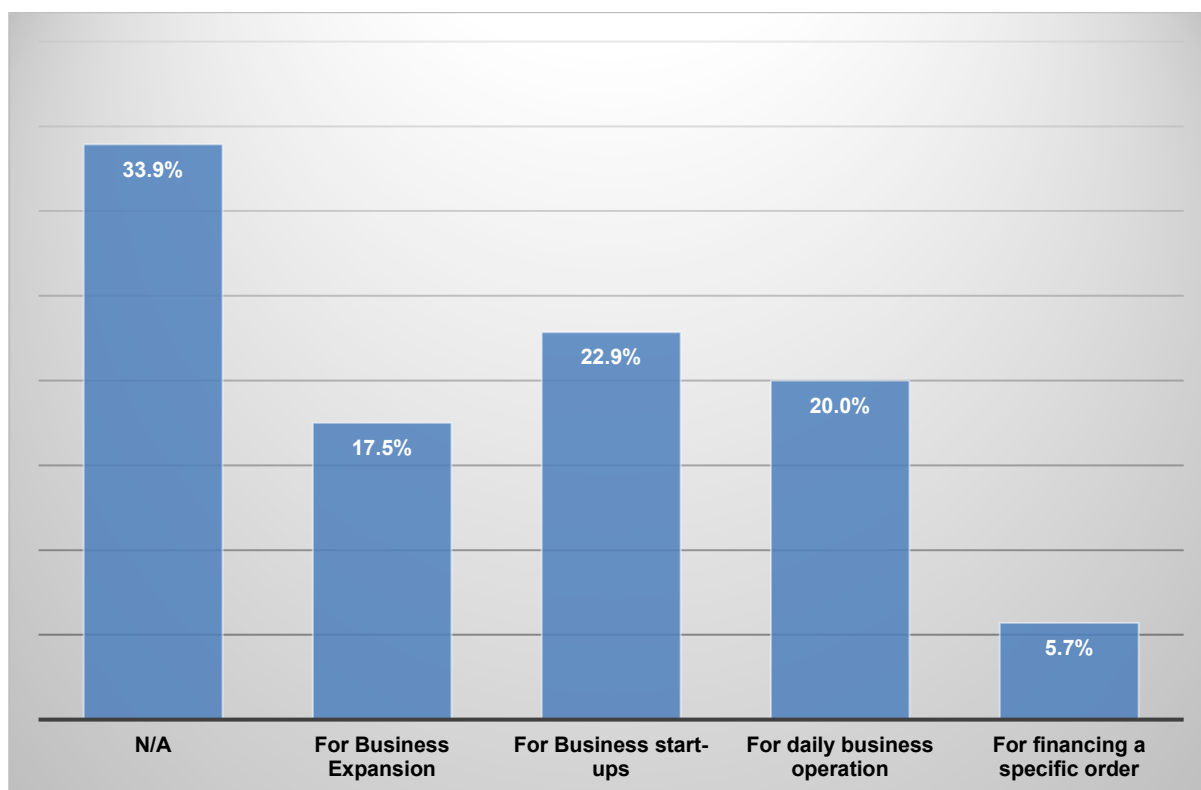
The Signed Rank Test results show that the majority of the respondents indicated not having the required documents, not producing a clear business plan, and lacking transparent processes as the barriers that led to failure in acquiring assistance. This is evident from a median that is not statistically different from 3 (i.e., equal to 3). Moreover, the majority of the respondents indicated that training took too long and lack of guidance were barriers to acquiring assistance.

Table 4.15 shows that 22.9% of business owners who needed assistance needed it for business start-ups, 20% needed it for daily business operations, 17.5% for business expansion, and 5.7% for financing a specific order.

Table 4.15: Reasons why business support was needed

Reasons why support was needed	n	%
N/A	95	33.9%
For business expansion	49	17.5%
For business start-ups	64	22.9%
For daily business operation	56	20.0%
For financing a specific order	16	5.7%

Figure 12: Reasons why business support was needed



Regarding the effect that the assistance could have on businesses, 55.6% of the respondents strongly agreed that the assistance would scale up their businesses, 25.1% believed that the assistance would help them open more branches, 35.1% strongly agreed that the assistance would contribute to better inventory management and 49% thought that the number of employees would increase (see Table 4.16).

Table 4.16: Effects of a support programme on small businesses

Effect		Strongly disagree	Disagree	Maybe	Agree	Strongly agree
Scaling up of business	n	13	14	23	28	133
	%	5.4%	5.9%	9.6%	11.7%	55.6%
Open more branches	n	36	17	28	22	60
	%	15.1%	7.1%	11.7%	9.2%	25.1%
Better inventory management	n	29	16	26	27	84
	%	12.1%	6.7%	10.9%	11.3%	35.1%
Number of employees will increase	n	16	10	17	36	117
	%	6.7%	4.2%	7.1%	15.1%	49.0%
No effect	n	108	11	3	8	18
	%	45.2%	4.6%	1.3%	3.3%	7.5%

The One-Sample Wilcoxon Signed Rank Test was also used to determine the level of significance of the different effects of assistance on businesses of the support systems from the average position of 3 (i.e., maybe). In this One-Sample Wilcoxon Test, the null hypothesis indicated that the median was equal to 3. If it was rejected, the respondents either agreed or disagreed with the effect of assistance on businesses. In order to determine statistical significance, a significance level of 0.05 was used for all the analyses in this study (Salkind, 2010; Bryman *et al.*, 2014). The null hypothesis was rejected when the p-value was less than 0.05. Thus, indicating the level of agreement was statistically different from the median of 3. The researcher also examined whether the specific median being tested was lower or higher than 3. If it was lower than 3, the respondents disagreed with that particular effect. If it was higher than 3, the respondents agreed with that particular effect. The results of the One-Sample Wilcoxon Sign Test are presented in Table 4.17.

Table 4.17: One-Sample Wilcoxon Sign Test on effects of support on small businesses

Effect	Median	Std. Deviation	t-statistic	p-value	Median Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Scaling up of business	3.71	1.784	6.165	0.000	0.711	0.48	0.94
Open more branches	2.27	2.028	-5.582	0.000	-0.732	-0.99	-0.47
Better inventory management	2.79	2.047	-1.580	0.115	-0.209	-0.47	0.05
Number of employees will increase	3.41	1.970	3.250	0.001	0.414	0.16	0.67
No effect	1.09	1.408	-20.946	0.000	-1.908	-2.09	-1.73

The Signed Rank Test indicated that the majority of the respondents agreed that scaling up of business and an increase in the number of employees are the effects of assistance on businesses. This is evident from a median statistically different from 3 and greater than 3. On the other hand, the majority of the respondents disagreed that opening more branches was the result of assistance to businesses. Thus, the most significant effect is the scaling up of business, followed by an increase in the number of employees, opening more branches and lastly, better inventory management.

Participants were asked if they had ever received any form of business support. Table 4.18 shows that 43% of business owners have received some form of business support before, while 57% never have.

Table 4.18: Business support received (yes/no)

Have you ever received any form of business support?	n	%
Yes	102	43.0%
No	135	57.0%

Of business owners who have received any form of business support, 21% stated that there had not been an increase in sales revenue, and 41% indicated that the number of full-time employees increased (see Table 4.19).

Table 4.19: Was there an increase/decrease in sales/employment after being provided with business assistance?

Sales/Employee	n	%
Business was recently established (Not applicable)	33	33%
No increase in the sales revenue	21	21%
Number of full-time employees increased	41	41%
Number of full-time employees decreased	5	5%

Figure 13: Was there an increase/decrease in sales after being provided with business assistance?

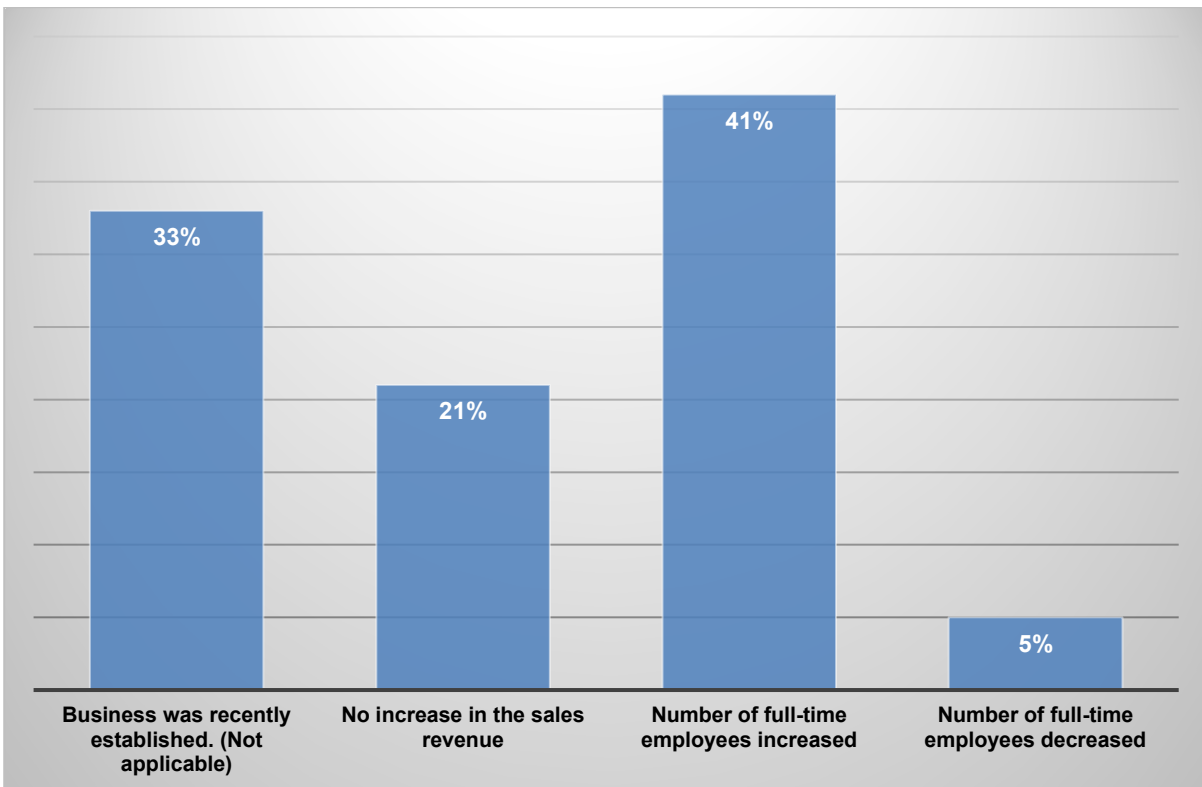
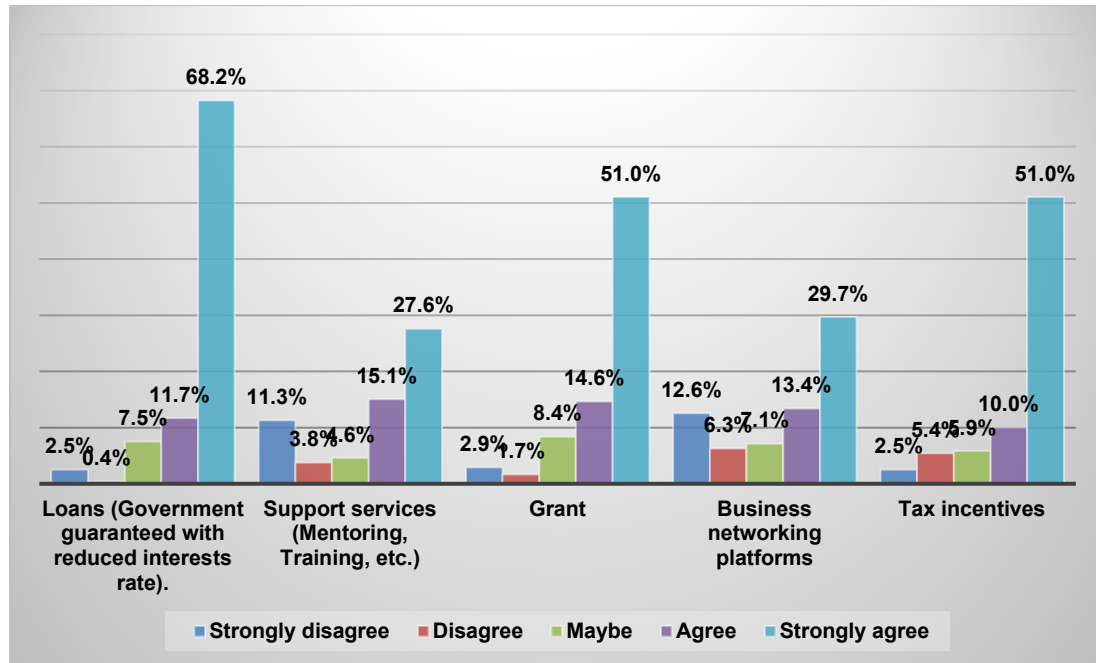


Figure 14 shows that 68.2% of the business owners strongly agreed that loans are the best support or assistance to businesses, and 27.6% strongly agreed that support services (e.g.,

mentoring, training) are the best support or assistance to businesses. A total of 51% of the participants strongly agreed that grants are the best support or assistance to businesses, 29.7% strongly agreed that business networking platforms are the best support or assistance to businesses, and 51% strongly agreed that tax incentives are the best support or assistance to businesses.

Figure 14: Participant view of the best support or assistance to businesses



Similarly, the One-Sample Wilcoxon Signed Rank test was used to determine the level of significance of each support programme from the average position of 3 (i.e., maybe). This test was used because the statements measuring the level of agreement for the best support or assistance to businesses are measured on a Likert-type scale, ranging from strongly disagree (1) to strongly agree (5), commonly treated as an ordinal scale. The test was used to determine if the central location (i.e., median) of the best support or assistance responses differed from 3. If the mean was lower than 3, it indicated that the respondents disagreed with that particular best support or assistance. If it was higher than 3, the respondents agreed with that particular best support or assistance. The results of the One-Sample Wilcoxon Sign Test are presented in Table 4.20.

Table 4.20: One-Sample Wilcoxon Signed Rank Test best support programme

Best support	Median	Std. Deviation	t-statistic	p-value	Median Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Loans (government guaranteed with reduced interest rate)	4.14	1.591	11.059	0.000	1.138	0.94	1.34
Support services (e.g., mentoring, training)	2.31	2.163	-4.935	0.000	-0.690	-0.97	-0.41
Grant	3.45	2.014	3.469	0.001	0.452	0.20	0.71
Business networking platforms	2.49	2.104	-3.781	0.000	-0.515	-0.78	-0.25
Tax incentives	3.26	2.123	1.920	0.045	0.264	-0.01	0.53

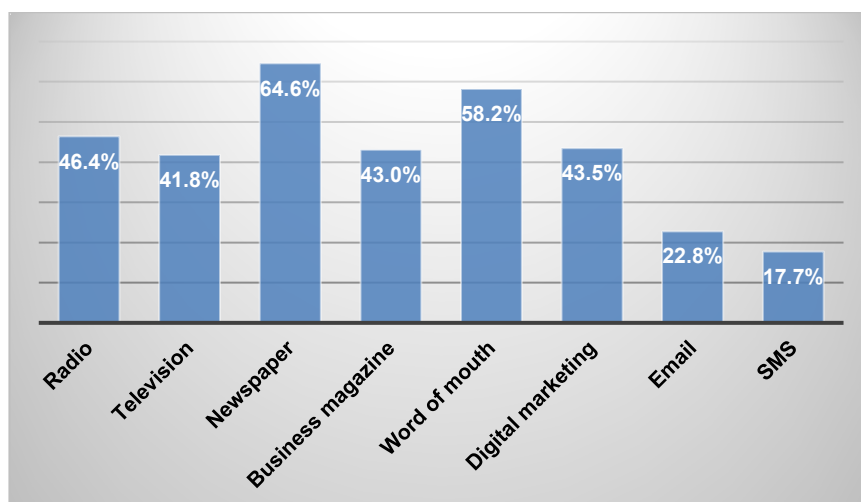
The Signed Rank Test indicated that the majority of the respondents agreed that loans (government guaranteed with reduced interest rate), grants and tax incentives are the best support and assistance to businesses, while the majority of the respondents disagreed that support services (e.g., mentoring, training) and business networking platforms are the best support and assistance to businesses. Thus, loans are the best support and assistance to businesses, followed by grants, tax incentives, business networking platforms and support services.

Furthermore, business owners indicated they are likely to obtain information about the support programme from the following platforms: newspapers (64.6%), word of mouth (58.2%), radio (46.4%), digital marketing (43.5%), business magazines (43%), television (41.8%), email (22.8%) and SMS (17.7%) (see Table 4.21).

Table 4.21: Platform business owners will use to obtain information about the support programme

Platform	n	%
Radio	110	46.4%
Television	99	41.8%
Newspaper	153	64.6%
Business magazine	102	43.0%
Word of mouth (WOM)	138	58.2%
Digital marketing	103	43.5%
Email	54	22.8%
SMS	42	17.7%

Figure 15: Platform business owners will use to obtain information about the support programme



4.4 Crosstab with demographics vs information platform

Table 4.22 illustrates that newspapers will most likely be the best platform to provide male and female small business owners with information about support programmes, measuring at 31.9% and 32.8%, respectively. This was followed by word of mouth (WOM), measured at 28.5% for males and 30.2% for females.

Table 4.22: Gender vs platform likely to be preferred for information

Gender		Radio	Television	Newspaper	Business magazine	WOM	Digital marketing	Email	SMS
Male	n	63	52	75	49	67	47	27	19
	%	26.8%	22.1%	31.9%	20.9%	28.5%	20.0%	11.5%	8.1%
Female	n	47	47	77	53	71	55	27	23
	%	20.0%	20.0%	32.8%	22.6%	30.2%	23.4%	11.5%	9.8%

Table 4.23 indicate that small business owners between the age of 36 to 45 years are more likely to find information in newspapers than any other platform, as it measured at 33.1%.

Table 4.23: Age vs platform likely to be preferred for information

Age		Radio	Television	Newspaper	Business magazine	WOM	Digital marketing	Email	SMS
25 years or less	n	8	8	8	6	11	8	3	5
	%	3.4%	3.4%	3.4%	2.5%	4.7%	3.4%	1.3%	2.1%
26 to 35 years	n	31	25	40	26	37	30	20	18
	%	13.1%	10.6%	16.9%	11.0%	15.7%	12.7%	8.5%	7.6%
36 to 45 years	n	51	45	78	50	67	44	21	12
	%	21.6%	19.1%	33.1%	21.2%	28.4%	18.6%	8.9%	5.1%
46 years & above	n	20	21	26	19	22	20	10	7
	%	8.5%	8.9%	11.0%	8.1%	9.3%	8.5%	4.2%	3.0%

Table 4.24 indicates that small business owners with a degree and above qualification are more likely to find information in newspapers than any other platform, as it measured at 44.7%.

Table 4.24: Qualification vs platform likely to be preferred for information

Qualification		Radio	Television	Newspaper	Business magazine	WOM	Digital marketing	Email	SMS
Form E (C.O.S.C) & below	n	7	5	6	2	8	5	2	1
	%	3.0%	2.1%	2.5%	0.8%	3.4%	2.1%	0.8%	0.4%
Certificate	n	9	6	8	3	6	5	2	2
	%	3.8%	2.5%	3.4%	1.3%	2.5%	2.1%	0.8%	0.8%
Diploma	n	25	21	33	19	29	23	24	19
	%	10.5%	8.9%	13.9%	8.0%	12.2%	9.7%	10.1%	8.0%
Degree & above	n	69	67	106	78	95	70	26	20
	%	29.1%	28.3%	44.7%	32.9%	40.1%	29.5%	11.0%	8.4%

4.5 Conclusion

Sole traders dominate the SME sector, with 43.1% female and 53.2% male. Additionally, more business owners are between 36 and 45 years, comprising 46.6%. A total of 61.1% of small business owners hold a degree and a higher qualification. Also, the sector is dominated by businesses operating for two to five years, constituting 38.9%. The service industry makes up 39.7% of the SME sector.

Barriers for small business owners to request business support were also discussed in this chapter. The results indicated that 66% of SMEs have not sought business support from the available support institutions. A total of 28.5% of those who requested assistance were unsuccessful, while 21% and 41% of SMEs indicated that revenue increased and the number of full-time employees increased after receiving support, respectively. Finally, 68.2% of small business owners indicated that the reduced interest rate loan is the most preferred support.

Chapter 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

In order to evaluate the small business support programmes as a primary objective of the study, a comprehensive literature review was conducted. The objectives included evaluating the existing small business support programmes in Maseru, Lesotho, to determine if support programmes are assisting small business owners. Another objective was to determine the barriers preventing small business owners from requesting assistance, including what can be done to improve the already existing small business support programmes. This chapter also includes conclusions of the field study by providing research conclusions, recommendations, limitations and an overall conclusion of the entire field study.

5.2 Research Conclusions

The introductory chapter indicated that the primary objective of the study was to evaluate the already existing small business support programmes, aiming to identify barriers that hinder small business owners from using the support programmes. Also, the aim was to determine what types of support programmes are available and what can be done to improve the already existing support programmes. The findings showed some barriers to accessing small business support programmes. However, the barriers and types of support programmes differ from country to country since countries implement different types of support programmes and use different policy interventions. The following were identified challenges:

- Small business owners believe that they do not need assistance.
- Small business owners also believe that support programmes require too much information/documentation.
- Small business owners do not have the required documents.
- Small business owners do not have clear business plans.

- There is no clear/transparent process in applications and issuing of support.
- Business owners do not have time to compile the required paperwork.
- Business owners think they will waste time by placing applications as they believe they will be unsuccessful.

Other findings indicated a relationship between gender and communication platforms, age and communication platforms and level of education and communication platforms, which can be used to provide small business owners with information about support programmes.

5.3 Research Recommendations

The main purpose of this section is to provide recommendations of what can be done to improve access to support programmes by small business owners in Maseru, Lesotho. The following were identified recommendations:

- Government must promote support programmes offered by different institutions. Partnership with such institutions and aggressive promotion will assist business owners who believe they do not need assistance to realise the advantages of business assistance.
- Standardisation of documentation required for support programmes should be a priority to make it easy for small business owners to provide documents when requesting support. These documents must be made easily attainable for business owners.
- Government should establish a department which will assist small businesses with the development of business plans free of charge. The plan should be useable for all existing support programmes. This department should also assist businesses in compiling required documentation for support applications. This will encourage owners to lodge applications through such a department while they are busy continuing their daily business operations.

- All support programmes must have a similar way of lodging applications for support, and evaluation criteria must be made available to all who wish to apply. A board must be established and be responsible for awarding or observing the awarding processes. Stakeholders from different industries should be represented to make the process transparent.
- Government policy must make it compulsory for support programme institutions to notify applicants about why their applications were not successful. This will encourage small business owners to eliminate or minimise the perception that they will be unsuccessful for no reason.
- Different institutions should support different industries to increase the possibility of each industry getting assistance.
- Support programmes offered by international organisations must comply with the set procedures and policies of the country.
- A platform to share information about business support programmes must be chosen strategically depending on the targeted class of small business owners. The study indicated that age, gender, and educational level significantly affect which platform business owners prefer to use. Newspapers must be used as it is a common platform for all different groups.

5.4 Limitations of the study

Similar to any other study, this study was subject to limitations that must be considered when dealing with the research findings. The following is the list of limitations of the study:

- The participants were SME owners operating in Maseru. As a result, the findings should not be generalised to other Lesotho districts or other countries.
- The sample size of the study was small for the findings to be generalised.
- The activities and data levels on SMEs were too low in Lesotho, where the study was conducted.

5.5 Conclusion

The study collected data with the results presented in Chapter 4. The study objectives highlighted in Chapter 1 were observed when collecting and analysing data. It is concluded that accessing small business support programmes is still challenging for small business owners. Therefore, this chapter proposed recommendations as a way of intervention and effort to improve access to support programmes. The study has stipulated recommendations to the government as one of the main role players in making support programmes easily accessible. While the literature review highlighted challenges in accessing support programmes in other countries, this study revealed that challenges found in the study's results might be unique to the country of the study.

REFERENCES

- Abor, J. and Biekpe, N. (2006). 'Small business financing initiatives in Ghana'. *Problems and Perspectives in Management*, 4(3), pp. 69–77. Available at: https://www.researchgate.net/publication/265484299_Small_Business_Financing_Initiatives_in_Ghana_1
- Abor, J. and Quartey, P. (2010). 'Issues in SME development in Ghana and South Africa'. *International Research Journal of Finance and Economics*, 39(6), pp. 215–228. Available at: https://www.researchgate.net/publication/285704505_Issues_in_SME_development_in_Ghana_and_South_Africa
- Ahmed, U., Phulpoto, W., Umrani W. A. and Abbas, S. (2016). 'Diving deep in employee training to understand employee engagement'. *The International Journal of Management*, 5(1), pp. 1–5. doi: 10.4172/2151-6219.1000199
- Akeyewale, R. (2018). 'Who are the winners and losers in Africa's Continental Free Trade area?'. *World Economic Forum*, 17 October 2018. Available at: <https://www.weforum.org/agenda/2018/10/africa-continental-free-trade-afcfta-sme-business/>
- Amadhila, B. (2020). The challenges faced by small and medium enterprises in accessing credit in Namibia. [Master's dissertation]. University of Cape Town. Available at: <https://open.uct.ac.za/handle/11427/32692>
- Anastasia, C. (2015). 'Exploring definitions of small business and why it is so difficult'. *Journal of Management Policy and Practice*, 16(4), pp. 5–6. Available at: <https://www.doccity.com/en/exploring-definitions-of-small-business-and-why-it-is-so-difficult/8801953/>
- Anim, K. I., Awotwe, E., Nyarku, K. M. and Kusi, L. Y. (2020). 'Tax administration, tax incentive and smes' growth: The moderating effect of firms size'. *Journal of Business and Enterprise Development*, 9, 81–100. doi: 10.47963/jobed.2020.06
- Arshad, M. Z., Ahmad, M. J., Ali, M., Khan, W. A. and Asjad, M. H. (2020). 'The role of government business support services and absorptive capacity on SMEs' performance'.

International Journal of Advanced Science and Technology, 29(3s), pp. 1492–1499.

Available at: <http://sersc.org/journals/index.php/IJAST/article/view/6149>

Atmowardoyo, H. (2018). 'Research methods in TEFL studies: Descriptive research, case study, error analysis, and R&D'. *Journal of Language Teaching and Research*, 9(1), p. 197. doi: 10.17507/jltr.0901.25

Audet, J., Berger-Douce, S. and St-Jean, E. (2017). 'Perceptual barriers preventing small business owners from using public support services: Evidence from Canada'. *International Journal of Entrepreneurship*, 11, pp. 27–48. Available at: https://depot-e.uqtr.ca/id/eprint/9242/1/ST-JEAN_E_126_ED.pdf

Awasthi, S. (2019). 'Plagiarism and academic misconduct: A systematic review'. *DESIDOC Journal of Library and Information Technology*, 39(2), pp. 94–100. doi: 10.14429/djlit.39.2.13622

Bartik, A. W., Bertrand, M., Cullen, Z., Glaeser, E. L. and Luca, M. (2020). 'The impact of COVID-19 on small business outcomes and expectations'. *Proceedings of the National Academy of Sciences of the United States of America*, 117(30), pp. 17656–17666. doi: 10.1073/pnas.2006991117

Bianco, V., Sonvilla, P. M., Reed, P. G. and Prado, A. V. (2022). 'Business models for supporting energy renovation in residential buildings. The case of the on-bill programs'. *Energy Reports*, 8, pp. 2496–2507. doi: 10.1016/j.egyr.2022.01.188

Binda, J. (2017). 'Crowdfunding as a kind of social support of business ventures'. *Scientific Journal WSFiP*, 2, pp. 5–26. doi: 10.19192/wsfip.sj2.2017.1

Bryman, A., Bell, E., Hirschsohn, P., Dos Santos, A., du Toit, J. and Masenge, A. (2014). *Research Methodology: Business and Management Context*. 3rd ed. Oxford University Press.

Catanzaro, A., Messeghem, K. and Sammut, S. (2019). 'Effectiveness of export support programs: Impact on the relational capital and international performance of early

internationalizing small businesses'. *Journal of Small Business Management*, 57(S2), pp. 436–461. doi: 10.1111/jsbm.12489

Chinje, N. B. (2015). 'Harnessing digital marketing to access markets: Opportunities for Africa's SMEs'. *AfricaGrowth Agenda*, 2015(10), pp. 14–18. doi: 10.10520/EJC181685

Clipa, A. M. (2020). 'Mapping business support for the IT entrepreneurial ecosystem in Romania'. *Journal of Public Administration, Finance and Law*, 17, pp. 197–204. Available at: <https://www.ceeol.com/search/article-detail?id=941855>

Department of Small Business Development. (2019). Revised Schedule 1 of the national definition of small enterprise in South Africa. *Government Gazette No. 399*. Available at: https://www.gov.za/sites/default/files/gcis_document/201903/423041gon399.pdf

Depken, D. and Zeman, C. (2018). 'Small business challenges and the triple bottom line, TBL: Needs assessment in a Midwest State, U.S.A.'. *Technological Forecasting and Social Change*, 135, pp. 44–50. doi: 10.1016/j.techfore.2017.05.032

Dladla, L. and Mutambara, E. (2018). 'The impact of training and support interventions on small businesses in the Expanded Public Works Programme-Pretoria region'. *Social Sciences*, 7(12), p. 248. doi: 10.3390/socsci7120248

Durst, S. and Gerstlberger, W. (2020). 'Financing responsible small- and medium-sized enterprises: An international overview of policies and support programmes'. *Journal of Risk and Financial Management*, 14(1), p. 10. doi: 10.3390/jrfm14010010

Etikan, I. and Bala, K. (2017). 'Sampling and sampling methods'. *Biometrics & Biostatistics International Journal*, 5(6), pp. 1–3. doi: doi.org/10.15406/bbij.2017.05.0049

Eton, M., Mwosi, F., Okello-Obura, C., Turyehebwa, A. and Uwonda, G. (2021). 'Financial inclusion and the growth of small medium enterprises in Uganda: Empirical evidence from selected districts in Lango sub-region'. *Journal of Innovation and Entrepreneurship*, 10, pp. 1–23. doi: 10.1186/s13731-021-00168-2

Finantare. (2012). 'Business financing sources'. *Finantare*, 29 June 2012. Available at: <http://www.finantare.ro/sursele-de-finantare-ale-afacerilor.html>

FinScope. (2016). *Micro, small and medium enterprises (MSME) survey. Lesotho 2016*. FinScope Small Business Lesotho. Available at: https://finmark.org.za/system/documents/files/000/000/283/original/finscope-lesotho-pocket-guide_en.pdf?1609752854

Fleming, J. and Zegwaard, K. E. (2018). 'Methodologies, methods and ethical considerations for conducting research in work-integrated learning'. *International Journal of Work-Integrated Learning*, 19(3), pp. 205–213. Available at: <https://eric.ed.gov/?id=EJ1196755>

Geissdoerfer, M., Vladimirova, D. and Evans, S. (2018). 'Sustainable business model innovation: A review'. *Journal of Cleaner Production*, 198, pp. 401–416. doi: 10.1016/j.jclepro.2018.06.240

Gibson, T. and van der Vaart, H. J. (2008). 'Defining SMEs: A less imperfect way of defining small and medium enterprises in developing countries'. *Brooking Global Economy And Development*, 1 September 2008. Available at: <https://www.brookings.edu/research/defining-smes-a-less-imperfect-way-of-defining-small-and-medium-enterprises-in-developing-countries/>

Gorączkowska, J. (2018). 'Influence of business support organizations on innovation activity in manufacturing companies in the masovian voivodeship in Poland'. *Equilibrium*, 13(4), pp. 741–759. doi: 10.24136/eq.2018.036

Government of Lesotho. (2008). *The state of small enterprise in Lesotho*. [Study report]. Available at: <https://docplayer.net/34656587-The-state-of-small-enterprise-in-lesotho-a-study-undertaken-by-sbp-for-the-ministry-of-trade-and-industry-cooperatives-and-marketing-october-2008.html>

Hair, J. F., Page, M. and Brunsveld, N. (2020). *Essentials of Business Research Methods*. 4th ed. Routledge.

Harel, R., Schwartz, D. and Kaufmann, D. (2020). 'Funding access and innovation in small businesses'. *Journal of Risk and Financial Management*, 13(9), p. 209. doi: 10.3390/jrfm13090209

Hoshi, T., Kawaguchi, D. and Ueda, K. (2022). 'Zombies, again? The COVID-19 business support programs in Japan'. *Journal of Banking & Finance*, 147, p. 106421. doi: 10.1016/j.jbankfin.2022.106421

Indrika, R. (2021). 'Features of state financial support to the small business sector in the republic of Latvia'. *Taikomieji Tyrimai Studijose Ir Praktikoje [Applied Research in Studies and Practice]*, 17(1), pp. 5–12. Available at: <https://ojs.panko.lt/index.php/ARSP/article/view/139>

Jordaan, H. and Coetzee, J. (2021). 'Access to finance perceived as an obstacle and the characteristics of the smme and its owner: Evidence from the Free State Goldfields – South Africa'. *International Journal of Economics and Finance Studies*, 13(1), pp. 374–404. doi: 10.34111/ijefs.202112238

Joslin, R. and Muller, R. (2018). 'Identifying interesting project phenomena using philosophical and methodological triangulation'. *International Journal of Project Management*, 1(1), pp. 1–14. doi: doi.org/10.106/j.ijproman.2018.05.005

Kalane, L. (2015). Reasons for failure of SMEs in the Free State. [Master's dissertation]. University of the Free State. Available at: <https://scholar.ufs.ac.za/bitstream/handle/11660/4557/KalaneL.pdf?sequence=1&isAllowed=y>

Kanono, B. T. (2000). The role of small, medium and micro enterprises in Lesotho's economy. [Master's dissertation]. University of KwaZulu-Natal. Available at: <http://hdl.handle.net/10413/4852>

Kapinos, P. (2021). 'Did the paycheck protection program have negative side effects on small-business activity?'. *Economics Letters*, 208, p. 110045. doi: 10.1016/j.econlet.2021.110045

Keskin, H., Senturk, C., Sungur, O. and Kiris, H. M. (2010). *The importance of SMEs in developing economies*. 2nd International Symposium on Sustainable Development, 8–10 June, Sarajevo. Available at: <https://core.ac.uk/download/pdf/153446896.pdf>

Khalid, N., Ahmed, U., Tundikbayevac, B. and Ahmed, M. (2019). 'Entrepreneurship and organizational performance: Empirical insight into the role of entrepreneurial training, culture and government funding across higher education institutions in Pakistan'. *Management Science Letters*, 9(5), pp. 755–770. doi: 10.5267/j.msl.2019.1.013

Khoase, R. G. (2011). The impact of the regulatory framework on small, medium and micro enterprises in Lesotho. [Master's dissertation]. University of KwaZulu-Natal. Available at: <https://researchspace.ukzn.ac.za/xmlui/handle/10413/8597>

Khoase, R. G. and Ndayizigamiye, P. (2018). 'Analysing the role and impact of public and private supporting institutions interventions on SMMEs access to funding: A comparative study between Lesotho and South Africa'. *Acta Universitatis Danubius*, 14(4), pp. 58–71. Available at: <https://www.researchgate.net/publication/344634289>

Klotz, B. (2007). 'The central and eastern European online library (www.ceeol.com)'. *Serials Librarian*, 53(1–2), pp. 191–201. doi: 10.1300/J123v53n01_15

Kussujaniatun, S., Warsiki, A. and Harilaksana, D. (2019). 'Small business industries mapping in improving economic growth of sub-urban area'. *Russian Journal of Agricultural and Socio-Economic Sciences*, 3(87), pp. 340–348. doi: 10.18551/rjoas.2019-03.41

Larisa, S., Mariana, U. and Kseniya, S. (2018). 'Forms of support of small and average business in world practice'. *Entrepreneurship*, VI(2), pp. 237–258. Available at: <https://ideas.repec.org/a/neo/epjour/v6y2018i2p237-258.html>

Lawal, F. A., Iyiola, O. O. and Adegbuyi, O. A. (2018). 'Exploring alternative financing for entrepreneurship development in Nigeria: Surmounting challenges'. *Journal of Entrepreneurship Education*, 21(2), pp. 1–12. Available at: <https://www.abacademies.org/articles/exploring-alternative-financing-for-entrepreneurship-development-in-nigeria-surmounting-challenges-7121.html>

Lee, K. W. (2016). *Skills training by small and medium-sized enterprises: Innovative cases and the consortium approach in the Republic of Korea*. [ADB Working Paper 579]. Asian Development Bank Institute. Available: <http://www.adb.org/publications/skills-trainingsmall-and-medium-sized-enterprises-innovative-cases-consortium-approach-korea/>

Louis, D. and Macamo, P. (2019). *Barriers to business growth: A study on small enterprises in Maputo*. Umea School of Business. Available at: <http://umu.diva-portal.org/smash/get/diva2:467410/FULLTEXT01.pdf>

Masanja, N. (2019). Major taxation challenges facing small and medium scale business enterprises in Tanzania. In: Masanja, N. M., *Contemporary Issues in Business*, pp. 1–15. NMM Printers.

Masupha, P. L., Beharry-Ramraj, A. and Amolo, J. (2017). 'State financial assistance within Lesotho Maseru's small, medium and micro enterprises'. *Public and Municipal Finance*, 6(4), pp. 7–14. doi: 10.21511/pmf.06(4).2017.01

Mayor, M. G., de la Hera, M. L. B. and Ruiz, E. D. (2012). 'Empirical study of national technological innovation capability in Africa'. *South African Journal of Economic and management Science*, 15(4), pp. 440–463. doi: 10.4102/sajems.v15i4.313

Mgembe, S. R. (2019). *Small business sustainability strategies in the Tanzanian construction materials industry*. [Doctoral dissertation]. Walden University. Available at: <https://search.proquest.com/openview/60528f469b7af6c53b3c4e969ef2ed07/1?pq-origsite=gscholar&cbl=18750&diss=y>

Mkandawire, S. (2019). Selected common methods and tools for data collection in research. In: Banja, M. K., *Selected Readings in Education*, Vol. 2, pp. 143–153. Marvel Publishers.

Mkhonza, V. M. and Sifolo, P. P. S. (2021). 'Covid-19 effect on business performance: SMMEs perspectives in a South African context'. *International Journal of Entrepreneurship and Business Development*, 4(5), pp. 727–743. doi: 10.29138/ijebd.v4i5.1487

Molebatsi, M. B. (2021). Effectiveness of institutional mechanisms on small businesses in Mokhotlong and Qacha's Nek, Lesotho. [Master's dissertation]. University of Kwazulu-Natal. Available at: <https://researchspace.ukzn.ac.za/handle/10413/20080?show=full>

Mpaki, B. (2017). 'Government steps up inspection of informal sector'. *Lesotho Times*, 11 May 2017. Available at: <https://www.pressreader.com/lesotho/lesotho-times/20170511/281724089469183>

Mukata, C. M. and Swanepoel, E. (2017). 'Development support for small and medium enterprises in the financially constrained north-eastern regions of Namibia'. *Southern African Business Review*, 21(1), pp. 198–221. Available at: <https://www.ajol.info/index.php/sabr/article/view/159604>

Nahrin, K. (2015). 'Objectivity and ethics in empirical research'. *International Journal of Scientific and Research Publications*, 5(7), pp. 2250–3153. Available at: <https://www.ijsrp.org/research-paper-0715.php?rp=P434334>

Naidoo, S., Hewitt, M. and Bussin, M. (2019). 'A leadership model validation: Dimensions influential to innovation'. *South African Journal of Business Management*, 50(1), p. 11. doi: 10.4102/sajbm.v50i1.1294

Nkwabi, J. and Mboya, L. B. (2019). 'A review of factors affecting the growth of small and medium enterprises (SMEs) in Tanzania'. *European Journal of Business and Management*, 11(33), pp. 1–8. doi: 10.7176/ejbm/11-33-01

North, D., Baldock, R., Mole, K., Wiseman, J. and Binnie, C. (2018). *Research to understand the barriers to take up and use of business support*. [Report for the Department for Business Innovation and Skills (BIS)]. Centre for Enterprise and Economic Development Research and BMG Research. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/32250/11-1288-research-barriers-to-use-of-business-support.pdf

Ntebogang, G. (2013). *Overview of CEDA*. [Capacity building seminar – BITC]. Citizen

Entrepreneurial Development Agency (CEDA). Available at: <https://www.gobotswana.com/sites/default/files/CEDA%20Products%20and%20Services.pdf>

OECD. (2015). *New Approaches to SME and Entrepreneurship Financing: Broadening the Range of Instruments*. [Analytical Report]. OECD. Available at: <https://www.oecd.org/cfe/smes/New-Approaches-SME-full-report.pdf>

OECD. (2017). *Enhancing the contributions of SMEs in a global and digitalised economy*. [Report on meeting of the OECD Council at ministerial level]. OECD. Available at: <https://www.oecd.org/mcm/documents/C-MIN-2017-8-EN.pdf>

OECD. (2022). *Financing SMEs and Entrepreneurs: An OECD Scoreboard*. OECD. Available at: <https://www.oecd.org/cfe/smes/financing-smes-and-entrepreneurs-23065265.htm>

Oguntoye, O. and Quartey, S. H. (2020). 'Environmental support programmes for small businesses: A systematic literature review'. *Business Strategy and Development*, 3(3), pp. 304–317. doi: 10.1002/bsd2.96

Olawale, F. and Garwe, D. (2010). 'Obstacles to the growth of new SMEs in South Africa: A principal component analysis approach'. *African Journal of Business Management*, 4(5), pp. 729–738. Available at: https://academicjournals.org/article/article1380715803_Olawale%20and%20Garwe.pdf

Osano, H. M. and Languitone, H. (2015). 'Factors influencing access to finance by SMEs in Mozambique: Case of SMEs in Maputo central business district'. *Journal of Innovation and Entrepreneurship*, 5, article 13. doi: 10.1186/s13731-016-0041-0

Oshora, B., Desalegn, G., Gorgenyi-Hegyessy, E., Fekete-Farkas, M. and Zeman, Z. (2021). 'Determinants of financial inclusion in small and medium enterprises: Evidence from Ethiopia'. *Journal of Risk and Financial Management*, 14(7), p. 286. doi: 10.3390/jrfm14070286

Osuagwu, L. (2020). 'Research Methods: Issues and Research Direction'. *Business and*

Management Research, 9(3), p. 46. doi: 10.5430/bmr.v9n3p46

Parkkali, H. (2008). Business support services for SMEs in Namibia. [Thesis]. Tampere University of Applied Sciences. Available at: <https://www.theseus.fi/bitstream/handle/10024/9064/Parkkali.Heidi.pdf?sequence=2&isAllowed=y>

Pedchenko, N., Strilec, V., Kolisnyk, G. M., Dykha, M. V. and Frolov, S. (2018). 'Business angels as an alternative to financial support at the early stages of small businesses' life cycle'. *Investment Management and Financial Innovations*, 15(1), pp. 166–179. doi: 10.21511/imfi.15(1).2018.15

Peter, F. O., Adegbuyi, O., Olokundun, M. A., Peter, A. O., Amaihian, A. B. and Ibidunni, S. A. (2018). 'Government financial support and financial performance of SMEs'. *Academy of Strategic Management Journal*, 17(3), pp. 1–10. Available at: https://www.researchgate.net/publication/331272697_Government_financial_support_and_financial_performance_of_SMEs

Peters, B. G., Capano, G., Howlett, M., Mukherjeem I., Chou, M. and Ravinet, P. (2018). *Designing for Policy Effectiveness*. Cambridge University Press.

Piza, C., Cravo, T., Taylor, L., Gonzalez, L., Musse, I., Furtado, I., Sierra, A. C. and Abdelnour, S. (2018). *Business support for small and medium enterprises in low- and middle-income countries: A systematic review*. [Systematic Review 25]. International Initiative for Impact Evaluation. Available at: https://www.3ieimpact.org/sites/default/files/2019-01/sr25-cida-business-support-review_gvw36pm.pdf

Podshivalova, M. V., Pylaeva, I. S. and Kuzmina, N. N. (2019). 'Evaluation of state support programs for small business: A regional aspect'. *Upravlenets*, 10(1), pp. 28–39. doi: 10.29141/2218-5003-2019-10-1-3

Ratinger, T., Čadil, V. and Agyemang Amaoko, S. (2020). 'Are there any economic impacts of business R&D support? The case of the Czech Republic'. *Central European Business Review*, 9(5), pp. 45–62. doi: 10.18267/J.CEBR.251

- Republic of Zambia. (2008). *The micro, small and medium enterprises (MSMEs) development policy*. Ministry of Commerce, Trade and Industry. Available at: <https://www.boz.zm/Micro-Small-and-Medium-Enterprise-Development-Policy-2008.pdf>
- Rogerson, C. M. (2006). 'Developing SMMEs in peripheral spaces: The experience of Free State, South Africa'. *South African Geographical Journal*, 88(1), pp. 66–78. Available at: <https://hdl.handle.net/10520/EJC93238>
- Salkind, N. J. (2010). *Statistics for People Who (Think They) Hate Statistics*. 4th ed. SAGE.
- Salkind, N. J. (2014). *Exploring Research: Pearson New International Edition*. 8th ed. Pearson Education.
- Sekaran, U. and Bougie, R. (2016). *Research Methods for Business: A skill-building Approach*. 7th ed. Wiley.
- Stratton, S. J. (2021). 'Population research: Convenience sampling strategies'. *Prehospital and Disaster Medicine*, 36(4), pp. 373–374. doi: 10.1017/S1049023X21000649
- Tecson, G. R. (2004). *Review of existing policies affecting micro , small , and medium enterprises (MSMEs) in the Philippines*. The Small and Medium Enterprise Development for Sustainable Employment Program. Available at: <https://www.studocu.com/ph/document/mariano-marcos-state-university/bachelor-of-science-in-economics/gtz-phils-sme-policy-review-dec04/33035232>
- UKessays. (2018). *Contributions of entrepreneurship and SMEs towards developing countries*. Available at: <https://www.ukessays.com/essays/economics/contributions-of-entrepreneurship-and-smes-towards-developing-countries-economics-essay.php?vref=1>
- Van Scheers, L. (2018). 'Strategies of global recession for small business enterprises in emerging markets: Case of South Africa'. *Journal of Business and Retail Management Research*, 12(2), pp. 163–172. doi: 10.24052/jbrmr/v12is02/sogrfbsbeiemcosa
- Vasileva, E. (2019). 'Guidelines for improving the business environment in support of

sustainable regional development'. *Bulgarian Journal of Business Research*, 25(01), pp. 7–14. Available at: <https://www.ceeol.com/search/article-detail?id=759229>

Williams, C. C. (2014). *Informal sector entrepreneurship*. [OECD Policy Briefing]. Available at: <https://ssrn.com/abstract=2731781>

World Bank. (2018). *Doing business 2018. Reforming to create jobs*. World Bank. Available at: <https://elibrary.worldbank.org/doi/abs/10.1596/978-1-4648-1146-3>

World Bank. (2020). 'Small and medium enterprises (SMEs) finance'. *World Bank Topics – Understanding Poverty*. Available at: <https://www.worldbank.org/en/topic/smefinance>

Zambia Revenue Authority. (2022). *2022 budget highlights: Overview of tax changes*.

Zambia Revenue Authority. Available at: <https://www.zra.org.zm/wp-content/uploads/2021/11/2022-Budget-Highlights.pdf>

Zimmer, M. (2018). 'Addressing conceptual gaps in big data research ethics: An application of contextual integrity'. *Social Media + Society*, 4(2). doi: 10.1177/2056305118768300

Appendix A

Access to Small Business Support Programs in Maseru Lesotho

Please attempt to answer all questions

Questionnaire

Section 1: Demographics

Business Information

1. What is your business ownership structure? (Tick appropriate)

No.		Tick	No.		Tick
1.	Sole Trader		2.	Private Limited Company	
3.	Family business		4.	Public Limited Company	
5.	Partnership		6.	Other	

2. What is the gender of the business owner? (Tick appropriate)

No.		Tick
1.	Male	
2.	Female	

3. What is the age (years) of the business owner? (Tick appropriate)

No.		Tick	No.		Tick
1.	25 or less		2.	26 to 35	
3.	36 to 45		4.	46 & Above	

4. What is the highest qualification of the business owner? (Tick appropriate)

No.		Tick	No.		Tick
1.	Form E (C.O.S.C) & Below		2.	Certificate	
3.	Diploma		4.	Degree & Above	

5. How long has the business been in operation? (Tick appropriate)

No.		Tick	No.		Tick
1.	1 year or less		2.	2 to 5 years	
3.	6 to 10 years		4.	11 or more	

6. Business operates in which industry? (Tick appropriate)

No.		Tick	No.		Tick
1.	Farming		2.	Retail	
3.	Transport		4.	Construction	
5.	Manufacturing		6.	Services	

Section 2:

Business Operations & Support programs-related questions.

**7. Are you aware of any form of support Program offered to small businesses?
Which type of assistance? (Tick all appropriate)**

No.		Tick	No.		Tick
1.	Training		2.	Mentoring	
3.	Grant		4.	Low-interest Loan	
5.	None of the above		6.	Don't know any	

8. Which support institution/program do you know of? (Tick all appropriate)

No.		Tick	No.		Tick
1.	BEDCO		2.	LNDC	
3.	Min of Small Business		4.	Moliko Trust	
5.	SADP		6.	Other	

9. Have you ever attempted to access a business assistance program?

No.		Tick
1.	Yes	
2.	No	

If your answer is **no**, please respond to question **10** below.

If your answer is **yes**, please respond to questions **11 & 12** below.

10. What is the barrier that stopped you from attempting to access business assistance?

Please indicate the extent to which you agree with the statements provided below by circling the appropriate number. Where: 1 = Strongly Disagree, 2 = Disagree, 3 = Maybe, 4 = Agree and 5 = Strongly Agree

- | | | | | | |
|---|---|---|---|---|---|
| 1. I have never needed assistance. | 1 | 2 | 3 | 4 | 5 |
| 2. I do not know about them. | 1 | 2 | 3 | 4 | 5 |
| 3. They are only for certain individuals. | 1 | 2 | 3 | 4 | 5 |
| 4. They require too much information/documentation. | 1 | 2 | 3 | 4 | 5 |
| 5. I do not have time to compile required paperwork. | 1 | 2 | 3 | 4 | 5 |
| 6. I do not understand required documents. | 1 | 2 | 3 | 4 | 5 |
| 7. I do not want conditions coming with assistance. | 1 | 2 | 3 | 4 | 5 |
| 8. I do not want to be told how I should run business operations. | 1 | 2 | 3 | 4 | 5 |
| 9. They don't provide a quick solution. | 1 | 2 | 3 | 4 | 5 |
| 10. I might waste time and be unsuccessful | 1 | 2 | 3 | 4 | 5 |

11. What type of assistance did your business need? (Tick all appropriate)

(This question emanates from question 9 above)

No.		Tick	No.		Tick
1.	Training		2.	Mentoring	
3.	Loan		4.	Grant	

12. From which institution did you request assistance from?

(This question emanates from question 9 above)

No.		Tick	No.		Tick
1.	BEDCO		2.	LNDC	
3.	Min of Small Business		4.	Moliko Trust	
5.	SADP		6.	Other	

13. Have you ever been unsuccessful when attempting to seek assistance from any business support program?

No.		Tick
1.	Yes	
2.	No	

If your answer is **yes** please respond to question 13 below.

14. If you were not successful in acquiring assistance, what was the barrier?

Please indicate the extent to which you agree with the statements provided below by circling the appropriate number. Where: 1 = Strongly Disagree, 2 = Disagree, 3 = Maybe, 4 = Agree and 5 = Strongly Agree

- | | | | | | |
|---|---|---|---|---|---|
| 1. No reason was specified. | 1 | 2 | 3 | 4 | 5 |
| 2. I did not have required documents. | 1 | 2 | 3 | 4 | 5 |
| 3. I did not produce a clear business plan. | 1 | 2 | 3 | 4 | 5 |
| 4. Training was taking too long. | 1 | 2 | 3 | 4 | 5 |
| 5. No guidance was given. | 1 | 2 | 3 | 4 | 5 |
| 6. No transparent process. | 1 | 2 | 3 | 4 | 5 |

15. If you ever needed assistance, why did you need assistance?

No.		Tick	No.		Tick
1.	For Business Expansion.		2.	For Business start-ups.	
3.	For daily business operation.		4.	For financing a specific order.	

16. What effect do you think assistance will have on businesses?

- | | | | | | |
|---------------------------------------|---|---|---|---|---|
| 1. Scaling up of Business. | 1 | 2 | 3 | 4 | 5 |
| 2. Open more branches. | 1 | 2 | 3 | 4 | 5 |
| 3. Better inventory management. | 1 | 2 | 3 | 4 | 5 |
| 4. Number of employees will increase. | 1 | 2 | 3 | 4 | 5 |
| 5. No effect. | 1 | 2 | 3 | 4 | 5 |

17. Have you ever received any form of business support?

No.		Tick
1.	Yes	
2.	No	

If you answer is yes, please respond to question 18 below.

18. Was there an increase/decrease in sales after being provided with business assistance?

No.		Tick
1.	Business was recently established. (Not applicable)	
2.	No increase in the sales revenue.	
3.	Number of full-time employees increased.	
4.	Number of full-time employees decreased	

19. In your view, what are the best support or assistance to businesses?

Please indicate the extent to which you agree with the statements provided below by circling the appropriate number. Where: 1 = Strongly Disagree, 2 = Disagree, 3 = Maybe, 4 = Agree and 5 = Strongly Agree

- | | | | | | |
|---|---|---|---|---|---|
| 1. Loans (Government guaranteed with reduced interests rate). | 1 | 2 | 3 | 4 | 5 |
| 2. Support services. (Mentoring, Training, etc.) | 1 | 2 | 3 | 4 | 5 |
| 3. Grant. | 1 | 2 | 3 | 4 | 5 |
| 4. Business networking platforms. | 1 | 2 | 3 | 4 | 5 |
| 5. Tax incentives. | 1 | 2 | 3 | 4 | 5 |

20. Which platform are you likely to get information about the support program if used? (Tick all applicable)

No.		Tick	No.		Tick
1.	Radio.		2.	Television.	
3.	Newspaper.		4.	Business magazine.	
5.	Word of mouth.		6.	Digital Marketing.	
7.	E-mail		8.	SMS	

Thank you for taking the time to participate in this study!