

The Impact Of Privately Owned Enterprises On The Economic Development Of Communities In Uganda A Case Study Of Masaka City

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***Abstract:** The study's goal was to discover how privately held businesses impacted Masaka City's economic growth. Out of a total sample size of 310 respondents, 290 respondents provided data for the study. 290 respondents provided data that was accurate in light of the study's goals. When the sample grows indefinitely, the sample mean eventually converges to the true population parameter, leading to what is known as asymptotic unbiasedness. Yet, as the sample grows more and more, the biasedness tends to disappear. Analyze the characteristics of privately held businesses in Masaka City, as well as the obstacles they confront, in order to determine the impact of privately owned businesses on the economic development of Masaka City. Information was gathered from Masaka City's business owners. According to the study's findings, the majority of respondents firmly believed that privately owned businesses will spur Masaka City's economic growth. Finally, the study's findings made it very evident that high taxes would be a challenge for privately owned businesses.*

Background of the study

Beginning in the mid-1970s and early 1980s, privately owned businesses become increasingly creative and adaptable when it came to cutting costs. They began offering intermediate items more effectively than big businesses as a result. Also, more entrepreneurial activity increased globally as a result of improvements in business skills, education levels, and job stability. While the growth of privately owned businesses was facilitated by the relaxation of labor laws and incentives in the majority of developed and emerging markets, privately owned business development occurred in transition countries as a result of the dissolution of large corporations and the marketization of state-owned businesses.

According to Mayers (2014), privately owned businesses dominate the economy of the majority of industrialized and developing nations and have a big impact on how jobs are created, how money is distributed, and how industries are distributed.

International recognition of the significance of privately owned businesses and the unorganized sector defines privately owned businesses as a difficult task, and each nation has its own interpretation. There is no single, widely used definition of what constitutes a privately owned business (Storey, 2014). The amounts of capitalization, sales, and employment vary across businesses.

As a result, definitions that use size metrics (such as number of employees, turnover, profitability, and net worth) when applied to one sector may result in all enterprises being classed as tiny, yet the same size definition when applied to another sector may result in a different outcome.

According to Bruce 2017, as in many other nations, privately owned businesses are a very diverse group engaged in a variety of activities, such as small-scale trading, grocery store processes, moderate manufacturers supplying parts and components to multinational corporations, and professional services like software firms or research scientists selling their services to other overseas markets, all with the goal of developing the industry they operate in and the economy as a whole.

Problem Statement

Regarding the significant roles and ongoing contributions that privately owned businesses make to the economy of Masaka City, as well as how their owners view these contributions, there are still challenges and issues that these businesses must overcome in order to realize their full potentials in terms of GDP growth, employment, tax revenue, eradicating poverty, promoting a favorable balance of payments, and all other o According to research, the operational risks that privately owned businesses have faced either directly or indirectly over the years have prevented them from making the overall contributions and advantages that they could have made to Masaka Cit.

Some of them have to do with having easy access to capital, managerial issues, ongoing inflation, a lack of entrepreneurial skills, challenges in accessing high-quality, reasonably priced services for business growth, the erratic power supply that is the norm, insufficient technical and management support services, inadequate marketing schemes because different marketing infrastructure is susceptible to recurrent and chronic illnesses, production issues, and so on.

All these problems have a major root cause which is lack of adequate finance on the part of government and also on the part of these privately owned enterprises. Therefore the researcher is set to analyze the role of privately owned enterprises on the economic development of Masaka City.

Objectives of the study

1. To assess the contributions of privately owned enterprises on the economic development of Masaka City.
2. To analyze the characteristics of privately owned enterprises in Masaka City.
3. To identify the challenges faced by privately owned enterprises in Masaka City.

Research Questions

1. What are the contributions of privately owned enterprises on the economic development of Masaka City?
2. What are the characteristics of privately owned enterprises in Masaka City?
3. What are the challenges faced by privately owned enterprises in Masaka City?

METHODOLOGY

Research Design

The Researcher adapted a quantitative research design. Quantitative research design was used because the researcher carried out research in Masaka City which has a big population. The researcher used quantitative measures like percentages to make it possible to collect data from the respondents.

3.5 Study Population

According to Greg Lawrings (2015), population was defined as the inhabitants of a particular place. The study population will include the population description and the population sampling design. The targeted population was on 150 enterprise owners, 50 Government leaders and 30 Local people.

The researcher used a sampling technique to get a sample.

Table 1: Target Population

Respondents	Target Population
Enterprise owners	300
Government leaders	50
Local People	30
Total	380

Population and Sampling technique

The population from which the sample was taken involved the enterprise owners, Government leaders and the local people. The respondents were got from various Sub Counties in Masaka City in order to come up with accurate data to help the researcher get all that was needed.

Table 2: Sample Size

Respondents	Target Population	Sample Size	Percentage
Enterprise owners	300	270	90%
Government leaders	50	30	60%

Local people	30	15	50%
Total	380	315	

Source: Field data (2021)

The researcher used a sample size of 300 enterprise owners, 50 Government leaders and finally 30 local people in Masaka City using stratified sampling technique because it was the most effective when handling heterogeneous populations. Respondents from different sub counties villages were selected using simple random sampling technique to make sure that the results are objective.

Research Instruments

The researcher developed both primarily and secondary sources of information and data. In collecting Primary Data, the researcher used questionnaires as tools for collecting data. For Secondary Data, publications by re known authors in this field for example magazines, articles, books and News Papers were used by the researcher to gather information that was required.

Questionnaires

This choice of tool was due to the fact that the targeted population is literate and therefore capable of filling-in the questionnaires. It gave the respondents adequate time to give well thought out answers. Questionnaires were also self-administered and provided a quick means of collecting data from a large population’s sample.

Interviewing

This choice of tool was used by the researcher to collect data from the respondents while in the field. The use of interviewing as a data collection tool was usually used when the study involved a large number of respondents and it made the researcher to get concrete information from the respondents’ consent.

Data Collection Procedure

The Researcher made sure that he or she has the respondents consent towards the study in order to make data collection from them easy and accurate. The researcher a head to seek appointments from the school heads, Parents and students in order to design questionnaires to avoid having excess or less. The researcher reached to the respondents on the agreed times to carry out data collection.

Data Processing and Analysis

Data was processed from the questionnaires that were administered to the respondents, the researcher then went ahead and gather the questionnaires from respondents in order to know the number of respondents who responded to the questionnaires from the sample size that was used. The researcher then used Microsoft excel to analyze data and present them into percentages on graphs and pie charts to be easily understood.

RESULTS

Response Rate

The response rate of the respondents is explained in the table below:

Table 3: Response rate

Respondent Groups	Number of Questionnaires Distributed	Retrieved Questionnaires
Enterprise owners	270	260
Government leaders	30	20
Local People	15	10
TOTAL	315	290

Source: Primary data (2021)

The table above clearly indicated that the researcher retrieved data from 260 enterprise owners out of the sample size of 270 respondents and the researcher at the same time retrieved data from 20 Government leaders out of the sample size of 30 and finally the researcher retrieved data from 10 local people out of the sample size of 15. This made a total of 290 respondents who presented to the researcher accurate data that was used basing on the objectives of the study.

Demographic Profile of the respondents

Table 4: Demographic Profile of the respondents

Category		Frequency	Percentage
Gender	Male	150	52
	Female	90	48
	Total	290	100
Age	15-35	180	62
	36-50	80	27
	51-Above	30	11
	Total	290	100
Education	Primary	40	14
	Secondary	210	77
	University	20	7
	None	10	4
	Total	290	100
Marital Status	Single	50	17
	Married	220	76
	Divorced	20	7
	Total	290	100
Years of work experience	01_05	230	79
	06_10	40	14
	11_15	15	4
	16 and Above	5	3
	Total	290	

Source: Primary data (2021)

The demographic breakdown of the respondents, including age, gender, education, marital status, and years of work experience, is shown in Table 3 above. The demographic breakdown of the respondents, including age, gender, education, marital status, and years of work experience, is shown in the table above. According to the data above, 62% of respondents were between the ages of 15 and 35, and 11% were beyond the age of 51. The standard deviation (17.45) is within the maximum and minimum age, which suggests that the age fits the measures of central tendency. The minimum age was 16 and the maximum age was 58. The highest percentage of literate respondents, 77% of secondary respondents and 7% of primary respondents, were among the respondents.

Table again shown that 76% of the respondents were married, 17% were single and 7% were divorced which implies that on average the level of marriage maintainance is so high compared to the level of divorcing.

Data Presentation, Analysis and Interpretation of findings

This sub section involved the findings of the study which aimed at investigating the role of privately owned enterprises on the economic development of Masaka City. The presentation was based on the research questions of the study of which they are:

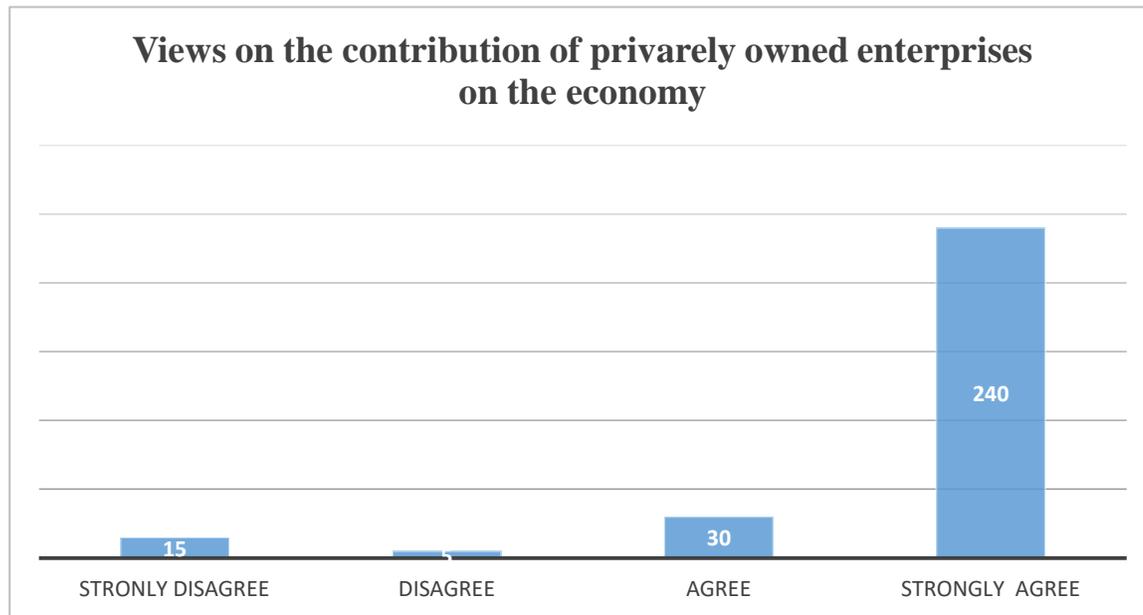
What are the contributions of privately owned enterprises on the economic development of Masaka City?

What are the characteristics of privately owned enterprises in Masaka City?

What are the challenges faced by privately owned enterprises in Masaka City?

Contributions of Privately owned enterprises on the economy?

Figure 1: Contribution of privately owned enterprises on the economy

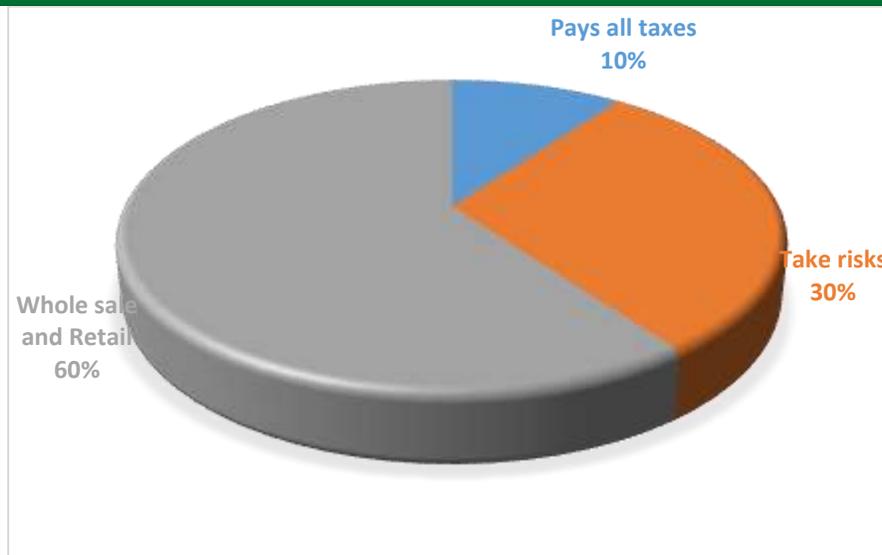


Source: Field Data (2021)

The results of the study, as shown in the figure above, clearly showed that 240 respondents told the research scientist that they strongly agreed that privately owned businesses contributed to the economic development of Masaka City, followed by thirty respondents who presented results indicating that they agreed with the statement. Last but not least, 5 respondents submitted results to the researcher showing that they disagreed, while 15 respondents indicated that they strongly disagreed with the claim that privately owned businesses contributed to the economic development of Masaka City.

Characteristics of privately owned enterprises

Figure 2: Characteristics of privately owned enterprises

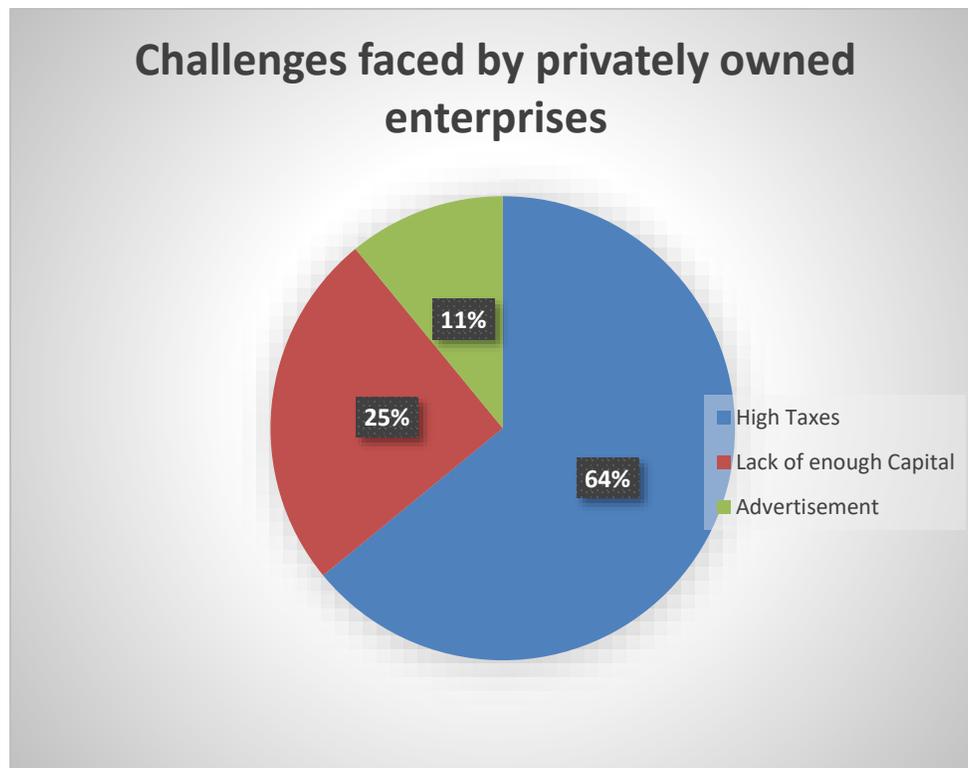


Source: Field Data (2021)

According to the figure 2 above, the findings of the study presented results indicating that 60% of the respondents informed the researcher that whole sale and retail was one of the major characteristics of privately owned enterprises followed by 30% of the respondents who informed the researcher that another characteristic of privately owned enterprises was that they take risks and finally 10% of the respondents informed the researcher that privately owned enterprises pay all the taxes

4.4.3 Challenges faced by privately owned enterprises

Figure 3: Challenges faced by privately owned enterprises



Source: Field Data (2021)

According to the graph above, the results of the study showed that the biggest challenge faced by privately owned enterprises was high taxes, which were levied on them by the Uganda Revenue Authority, followed by 25% of respondents who presented results indicating that lack of enough capital was another challenge faced by privately owned enterprises. This was accomplished by failing to increase the capacity of their businesses, which at times would make it difficult to raise capital.

CHAPTER FIVE

Conclusions

The majority of respondents told the researcher that they did agree that privately owned enterprises contributed to the economic development of Masaka City, according to the study's findings. This was followed by some other survey participants who proffered results indicating that they also agreed that privately owned businesses contribute to the economic development of Masaka City. Last but not least, a few respondents offered answers to the researcher suggesting that they strongly disagreed with the claim that privately owned businesses played a role in the economic development of Masaka City.

The findings of the study also provided results indicating that majority of the respondents informed the researcher that whole sale and retail was one of the major characteristics of privately owned enterprises followed by a few of the respondents who informed the researcher that another characteristic of privately owned enterprises was that they take risks and finally some of the respondents informed the researcher that privately owned enterprises pay all the taxes.

The study's findings also showed that high taxes levied by the Uganda Revenue Authority were the primary obstacle that privately owned businesses faced. A number of respondents then provided findings showing that a lack of capital was another issue that these businesses faced, and that this was accomplished by failing to increase the capacity of their businesses, which occasionally would make some of them financially unviable

Recommendations

There was a need for the government to introduce tax holidays to the entrepreneurs in Masaka City.

There was also a need to for the government to provide financial Aid to the privately owned enterprise owners in order to boost their businesses.

There was also a need to sensitize the masses about importance of carrying out a privately owned business.

There was also a need for the government to sensitize the population about tax education in order to make the public aware of the different forms of tax and how they are paid.

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