

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 aim of the study was to investigate the effects of privately owned firms on the economic growth of Masaka City. 290 participants in the study's sample of 310 participants submitted data. 290 participants supplied information that was precise in relation to the objectives of the study. It is known as hyperbolic impartiality when the sampling grows endlessly because the sample mean finally converges to the real population parameter. Yet, bias tends to vanish as the sample size increases. Determine the effects of privately owned firms on the economic growth of Masaka City by examining the traits of privately held enterprises in Masaka City as well as the challenges they face. Shop owners in Masaka City provided information. The majority of respondents, in accordance with the report's results, firmly thought that privately run enterprises will promote economic growth in Masaka City. Third, it was clear from the report's results that privately held companies would struggle with high taxes.*

Keywords; privately owned enterprises and economic development

Background of the study

Privately owned companies started to become more innovative and flexible when it comes to reducing expenses in the middle of the 1970s and the beginning of the 1980s. As a result, they started providing intermediate goods more successfully than large corporations. Also, as a result of advancements in business expertise, educational attainment, and employment security, there was a rise in entrepreneurial activity globally. Privately owned business development took place in transition countries as a result of the breakup of huge companies and the market liberalization of government enterprises, whereas the majority of developed and emerging markets saw the growth of small enterprises aided by the stress relief of employment laws and rewards.

The majority of industrialized and emerging countries' economies are dominated by privately run firms, which have a significant impact on how jobs are produced, how money is dispersed, and how industries are spread, according to Mayers (2014).

Privately owned enterprises are recognized internationally as being important, and the disorganized sector is viewed as having a challenging task that varies depending on the country. The concept of a privately owned business is not one that is universally accepted (Storey, 2014). Businesses have different levels of capitalization, sales, and employees.

As a result, classifications that use size criteria (including the number of staff members, turnover, competitiveness, and personal wealth) when used to one area may lead to the classification of all businesses as being small, whereas the same 's filled when deployed to some other sector may have a different effect. As according Bruce 2017, independently owned companies are a very diverse group engaged in a variety of activities, including small-scale trading, grocery store operations, modest manufacturer and distributor providing components and parts to multinational companies, and advisory services like software companies or scientific researchers selling their services to other international markets, with the objective of advancing the industry they operate in and the economy as a whole.

Problem Statement

A complex and confusing issue, the Influence of Privately Owned Businesses on the Economic Growth of Communities in Uganda. Others have argued that the expansion of privately held businesses is an important factor in economic growth since it promotes the creation of more jobs, higher tax receipts, and innovative goods and services. Some, on the other hand, contend that privately owned businesses can increase economic disparities and have a detrimental effect on local communities, especially if they operate without concern for social or environmental factors. The purpose of this statement of the problem is to investigate the connection between privately held businesses and Uganda's economic expansion.

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

Both the primary and secondary sources of data and information were generated by the investigator. The researcher employed questions as data collection techniques when gathering primary data. The researcher used publications by well-known authors in this sector, such as periodicals, essays, books, and newspapers, to acquire the necessary secondary data.

Questionnaires

Due to the target voter's literacy and ability to complete the questionnaires, this choice of instrument was made. The responders had enough time to think about their responses. Furthermore self-administered, questions provide a quick way to get information from a sample of a sizable population.

Interviewing

The researcher's method of choice for collecting data from participants while conducting fieldwork was this instrument. When a study required a large number of respondents, interviews were frequently utilized as a data collecting strategy since they enabled the researcher to obtain specific information with the participants' agreement.

Data Collecting Methodology

In order to facilitate and ensure correct data collection from the respondents, the researcher made sure to obtain their agreement for the research. For the purpose of creating surveys without having too many or too few, the researcher made an appointment with the principals of the schools, the parents, and the kids. When it was time to gather information, the investigator called the participants.

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)

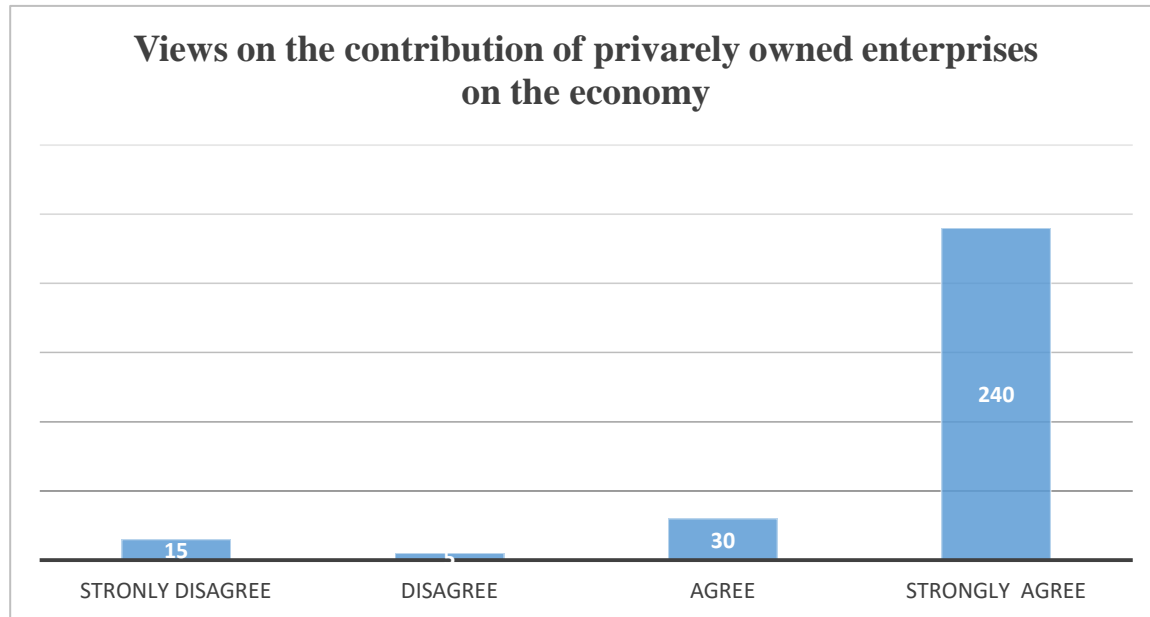
Table 3 above displays the demographic breakdown of the respondents, which includes age, gender, school, marital status, and years of professional experience. The table above displays the demographic breakdown of the participants, comprising age, gender, school, marital status, and years of professional experience. 62% of respondents were between the ages of 15 and 35, and 11% were beyond the age of 51, per the aforementioned statistics. The age appears to suit the measures of central tendency because the standard deviation (17.45) is within the range of the maximum and minimum age. The minimum and maximum ages were 16 and 58 respectively. The respondents had the greatest literacy rates, with 77% of secondary respondents and 7% of primary respondents being literate.

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

Contributions of Privately owned enterprises on the economy?

Figure 1: Contribution of privately owned enterprises on the economy

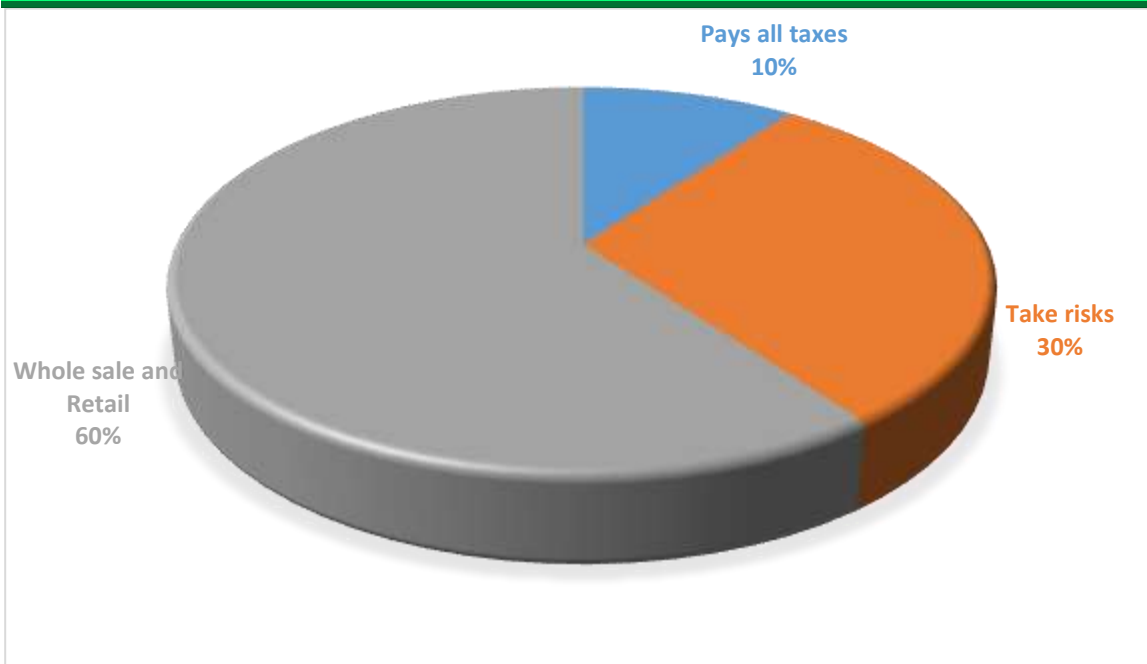


Source: Field Data (2021)

As can be seen from the study's findings, which are represented in the figure above, 240 respondents told the medical researcher that they strongly agreed that privately owned businesses had a positive impact on Masaka City's economic growth. This was followed by 30 respondents who provided data demonstrating their agreement with the statement. Last but not least, 15 respondents stated that they fundamentally disagree with the assertion that privately owned enterprises played a role in the economic growth of Masaka City, while 5 respondents provided results to the investigator indicating that they disagreed.

Characteristics of privately owned enterprises

Figure 2: Characteristics of privately owned enterprises

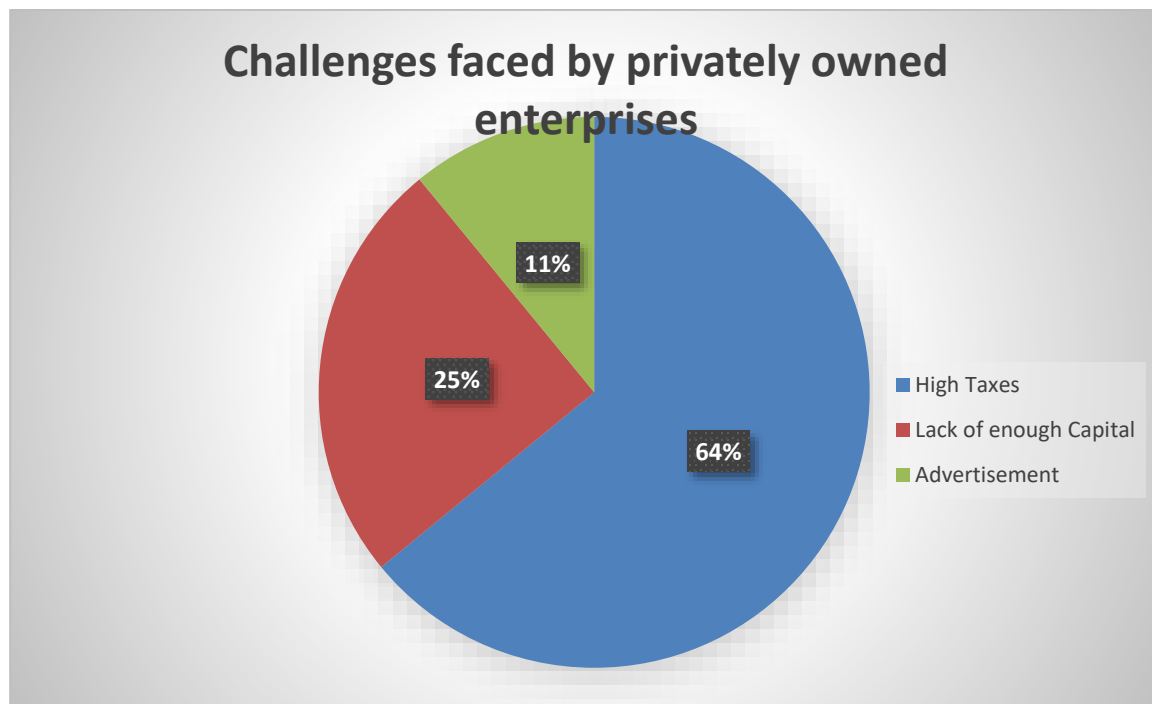


Source: Field Data (2021)

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.

Conclusions

According to the results of the survey, the majority of respondents indicated to the researcher that they did concur that privately owned businesses helped to the economic growth of Masaka City. After this, some other survey respondents presented findings showing that they, too, believed that privately run enterprises aid in the growth of Masaka City's economy. Last but not least, a few participants provided the investigator responses that indicated they vehemently disagreed with the assertion that privately run firms contributed to Masaka City's economic growth.

Recommendations

The government needed to offer fiscal incentives to the business owners in Masaka City. Also, the government needed to offer financial assistance to privately held business owners in order to help those companies grow. Moreover, public education regarding the value of operating privately owned businesses was required. In order to educate the populace about taxes and how they are paid, it was also required of the government to raise awareness among the general public.

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