The Role of Uwezo Fund on the Economic Growth of Small and Medium Enterprises in Kiambu Couty, Kenya

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***Abstract*: Empirical Literature review indicates that financial challenge is the greatest obstacle that most small and medium enterprises (SMEs) face. Most of them opt to get subsidized governmental loans e.g Uwezo Fund, Youth enterprises fund and Women enterprises fund to finance their businesses. The researcher attempted to establish the role of Uwezo Fund on the SMEs growth. The significance of SMEs is largely recognized. Finance accessibility and other support services including training helps SMEs to grow. Uwezo Fund was started by the Kenyan government to help in eradication of extreme poverty and hunger and promote business start-ups especially by women, youth and people living with disabilities at constituency level. The researcher utilized Descriptive survey research design. 201 SMEs groups that had benefited from the Uwezo Fund in Juja constituency were the target population of which a sample of 61 respondents was selected which is thirty percent of the whole population. To collect data the researcher distributed Questionnaires to the respondents. Descriptive data analysis assisted by Statistical Package of Social Sciences (SPSS) was utilized in analysis. Bar graphs, tables and pie charts are forms in which data was presented. Percentages and frequencies were also used in presentation. The study outcome determined the role played by Uwezo fund towards SMEs' economic growth in terms of creation of jobs and sales and profit generation. The theories that were used in the study to explain why SMEs chose Uwezo fund rather than other forms of financing are Trade off theory and Pecking order theory.**

***Keywords:* Roles, Uwezo Fund, Small and medium enterprises.**

I. INTRODUCTION

In the 21st Century, Small and Medium Enterprises (SME) have increasingly contributed to the economies of many countries in the world. Many of these SMEs develop to form large and complex businesses. Currently no single definition of SMEs is acceptable worldwide since it depends on the person and place of definition. (Omar et al 2009). An analysis of the definition of an SME shows that it depends on who is defining it and from where they are defining it. According to (Garikai 2011) definition of SMES is mostly by the number of employee's, business wealth and assets and the income yield. However it differs upon every country's restriction.

In most parts of the world, many governments put more attention in developing SMEs to nurture the economic growth (Olawale & Garwe, 2010). The economic growth is the cornerstone of the living standards that the citizens have. It is therefore of vital importance that governments focus on promoting SMEs and providing good business environment for their development (Mateev & Anastasov, 2010).

According to Noor, (2009) SMEs accounts for more than 50% of all businesses and of all employment in developed countries such as United Kingdom and Australia. Acosta, 2010 observes that in Europe, SMEs comprises of around 99% of the total number of new companies. It is shown by Empirical studies (e.g. Garikai 2011) that SMEs play a remarkable role in creating jobs.

There is a great interdependence between the standard of living or the economic wellbeing of the citizens and the degree of the SMEs flourishing in the respective countries. (Oliver, 2012). He argues that the businesses that succeed lead to the entrepreneurs' improved social status, improved literacy level, better housing, better health etc. The entrepreneurs' with higher living standards lead to more growth in businesses, for instance they will afford more education and more training on how to manage their businesses better, they will afford better health care like insurances meaning that incase of health challenges the insurance pays the hospital bills instead of using business capital and profits for that purpose.

In the European Union, 19.3 million businesses, that is 98 percent of all enterprises are described as SMEs, employing 65 million people. The European enterprises averagely employs four people, which is two thirds (66%) of jobs created within the EU. In Switzerland SMEs employs approximately 122 million people. Only one third are employed by great enterprises while two thirds are employed in SMEs. In Pakistan, 65 per cent of people are employed by SMEs. In Italy SMEs employ 48% of the population while in Greece it employs 57 % of the population. In Africa, countries like Egypt, Nigeria and South Africa the SMEs are estimated to contribute over 70 percent employment creation and 30-40% contribution to GDP .In Rwanda SMEs are also acknowledged as a great entity for industrialization (Ntagungira, 2009)

Training facilitation is important in all forms of businesses. Raising the level of skills of the employees of all levels including managers who are very important in improving business performance, (Abhijit, 2013). The management standard is vital for small and medium-sized enterprises (SMEs), to help them adjust quickly to the developing markets and changing lifestyles, but its restricted by little resources (OECD, 2014). Such limitations reduce ability to training employees, regardless of the positive relationship between management training level and the SMEs performance. Training in management has been proved in minimizing the extent to which the business fails, which most of the times happen in their earlier years compared to large firms (IKEI, 2008). The government also train business owners, provide them finances and encourage the youth to set up their own businesses providing support and advice (Rabban K 2013).

The Kenya National Bureau of Statistics in 2013 did an Economic Survey that stated that the SMEs contribute to 75% running businesses in Kenya creates employment for 5 million jobless Kenyans which amount to 87% of all new jobs, and contribute 19% Kenya's GDP. By acknowledging this, the Kenyan government has provided guidance in accelerating the growth of the enterprises. The Sessional paper No. 2 of 2005 (GoK) consist the formal policy framework of Kenyan SMEs. This policy paper has the structure of enacting the SMEs Act to institutionalize SMEs policy in the country. This Act shows direction on key issues such as legal and regulatory environment, business collaborations, the tax administration, technology and skill level, and financial facilities (Syekei & Opijah, 2012). Another step that the Kenyan government has taken is to set up Funds supported by these policies reinforcing the sector.

Many studies have indicated financial challenges as the main challenge that SMEs face, apart from lacking enough funding, poor planning and poor strategic approach in managing the businesses is also a great challenge. (Longenecker et al 2006). These are some of the barriers that hinder the development of these enterprises. Most SMEs have less access to market, lack important information which includes available opportunities and disappointing techniques that have been experienced (OECD, 2012).To get credit from financial institutions, it is a necessity to have a favorable bank statements which shows that you will be able to pay the loan back, this is a great challenge since most SMEs do not have that since they have very little savings. Small businessmen also save the little they get in less reputable institutions such that incase one needs credit the funds may not be available to cater for all that need credit.

By realizing the importance of SMEs, many governments have enacted laws to promote SMEs such as SBA in the United States, SMEA in Japan; China has also founded a SME department under the SCDRC, (Wittig, 2010). This help to accelerate the SMEs growth hence they contribute more to its economy.

Formulation of policies made by governments on SMEs is a very important factor while considering SMEs growth (Gatt, 2012) Governments should involve the SMEs while formulating policies that concern them.

SMEs Funding

There are various ways in which SMEs and other businesses can access finances. The most obvious source of financing is from the loans offered by commercial banks and other financial institutions, these loans are secured on assets like land, buildings and motor vehicles. (Nkeobuna, 2012. However, raising funds is more difficult for SMEs as banks are traditionally rather conservative. In Kenya, other sources of Funding include Industrial and Commercial Development Corporation (ICDC) which was established over 60 years ago with the aim of providing funds through medium and long term financing. ICDC offers venture capital, commercial loans and asset financing. The Kenya Industrial Estates (KIE) is another source of funds for Kenyan businesses. KIE offers loans both to the jua kali sector as well as medium enterprises. Loans to Jua Kali sector are one hundred thousand to five hundred thousand while medium enterprises can get loans up to fourteen million shillings. The Agricultural Finance Corporation offers credit to firms in the agriculture sector although it was initially set up to enable transfer of agricultural land to farmers. (Her Business 2016)

According to Kuza Biashara (2014), Asset Finance is a source of funds for most businesses. Asset financing is a type of loan offered by some commercial banks. The main advantage of asset financing over traditional loans is that they are relatively cheaper and the process is faster. Venture Capitalists are also a common source of funds. Venture Capitalists however require an equity position in the business. They provide funds on condition that they will own a certain percentage of the business. The main advantage of venture capitalist is that they act as mentors to the business owners and may even assist in running the business in the early stages. Others source fund from Micro finance Institutions in Kenya which include Faulu Kenya, Unaitas and many others, however to get funding from them you need to be their member for more than six months. They finance you two or three times your savings. To get a loan from governmental funds like Uwezo fund the entrepreneur is not obliged to be a member of a specified bank or micro finance.

Statement of the Problem

Lack of credit accessibility is commonly and universally indicated as the main hindrance toward SMEs success. Financial restriction is the major challenge facing Kenyan SMEs (Wanjohi and Mugure, 2008).Many traders end up self-financing since cost of credit from banks is too high which make it inaccessible to many, banks ask for guarantors which are not available to many small traders. It is by this knowledge that the government of Kenya together with Medium Term Plan (MTP) of Vision 2030 came up with Uwezo Fund to help support startup of the SMEs by women, youth and people with disabilities.

Numerous studies have investigated financial challenges affecting SMEs growth. Studies have been done to investigate why many SMEs turn to governmental Funds like Uwezo Fund, Youth enterprise fund(YEF) and Women enterprises fund (WEF) to fund their businesses, (Ameya et al. 2011). Some of the reasons to which Uwezo Fund is preferred is because it gives a grace period of six months from when the loan is disbursed. Another reason is because the loan does not attract interest, there are no bank or cooperative societies that would be able to do this. It is also preferred because training is done on the fund before the loan is given. In addition to that the Uwezo Fund beneficiaries are linked to 30% access to governmental procurement opportunities. Beneficiaries also get mentorship programmers for free.(www.uwezo.go.ke)

Other Studies centralize on the Fund's formation which shapes it in a preferable manner to the SMEs than other loans (Kanyari&Namusonge 2013) the structure of majority of the loans is that you start paying back just a month after the loan is given. The entrepreneur might not have any money to pay back the loan immediately. Uwezo fund objective is to promote informed and effective participation of target beneficiaries of the Fund by providing them with a broad range of business development services and mentorship opportunities aiming at promoting small businesses to changing people from job seekers to job creators. (www.uwezo.go.ke)

Many other studies e.g (Sogwe et al. 2014) discusses the policies by government aiming at the SMEs support through governmental Funds. However, very little has been done to establish the degree to which these funds have succeeded in addressing the growth of SMEs.

Research Objectives

The objective of this study was to establish the role of Uwezo Fund in the growth of SMEs in Juja Constituency.

Specific Objectives:-

The study specifically sought to:

a. To establish the role of training facilitation on the growth of SMEs.
b. To assess the role of financial upgrading on the growth of SMEs
c. To identify the role of improved social status on the growth of SMES.

II. LITERATURE REVIEW

Growth of SMEs

The most definite way of measuring growth of a business is by checking the financial statements which consist of income statement measuring profitability at a specific time showing profits and loses, balance sheet which shows the wealth and liabilities. And, the cash flow statement shows how much liquid cash the business has (Mateeve, 2010).He notes that the other ways of evaluating growth in a business is by evaluating the employment levels during a certain period of time, conducting performance reviews and assessing personal expectations.

According to Garikai, (2011) Growth of a business can be measured by profits and sales increase. Small and Medium Enterprises (SMEs) are seen as the engine of economic growth in developing countries. In Kenya there are at least 6 million formally registered SMEs but over 51% of them are in constant financial stress either due to lack of adequate cash flow for operational sustainability or adequate funds for growth and expansion (Mbogo 2011). About 46% of SMEs in Kenya close business within their first year of founding while about 15% close in the year after (Mokua, 2013). Statistics from the International Finance Cooperation (IFC) shows there is a demand of 331 Billion Dollars required to fund SMEs in developing countries. According to Bowen et al (2009) lack of funds is a challenge that hinders growth of SMEs irrespective of their size. According to Makena, (2016) many SMEs fail whenever there is continuously decrease in sales and profits.

The contribution of SMEs in the Kenyan economy has been rising constantly (FSD, 2010). In 1993, SMEs contributed to 13% of Kenya's GDP compared to a 30% contribution in 2015. (Makena 2016). SMEs constitute to 98% of all Kenyan businesses according to a recent research by the CBK. SMEs create 30% of the new jobs annually and they also contribute to a 3% in the growth in the GDP.

Training Facilitation and Growth of SMEs

Training takes the form of capacity building programs (seminars and forums), structured programs (Degrees, Diplomas and Certificates), apprenticeship as well as any other form of education provided by either the government through its various institutions, universities, colleges, NGOs or religious bodies (Maton, 2012).

Eikebrokk & Oslen (2009) outlined a significant relationship between competence and extent of training and growth among SMEs. The findings of the study which sampled 339 SMEs in Norway, Finland and Spain further claims that training levels were the cause of variances in e-businesses competencies and efficiency. Bowen (2009), in his Nairobi study, established that 49.5% of those who had training in their area of business reported that their SMEs were doing better. The research also revealed that 60.8% of those who were not trained performed poorly compared to 39.2% who were doing well without training.

According to Kessy & Temu (2010), training enables managers and employees to change their behavior and even how they perceive activities and roles. They further asserted that in Tanzania most micro finance institutions provide loans to SMEs that frequently train their employees. On job training helps owners and managers to alleviate the challenges in their businesses.

Mbogo (2011), in a study of KIRDI Nairobi SMESs reported that the level of managerial training affect the decisions made and prosperity of businesses. According to Manning (2015), the training level and the entrepreneurs' managerial accounting capacities is very important and influence decision making and hence affect growth and survival of SMEs.

Financial Upgrading

Access to finance is key in economic development and extension of the commercial services which is important in eradication of poverty. The provision of financial services in form of credit is crucial in raising the performance of SMEs. Financial upgrading helps SMEs have the credit needed to exploit investment opportunities as and when they arise. Uwezo Fund is a crucial source of funding and numerous benefits accrue from Uwezo Loans. (Kessy&Temu, 2010)

Nkuah and Gaeten (2013) carried out a study to determine the SMEs challenges on accessibility to bank credit in Municipalities in Ghana which conclude that access to credit relates positively to certain firm features. The study also concluded that some financial activities such as certification of a business, documentation, business planning, asset possession and others were steadily affected by financial upgrading. Businesses that had access to credit facilities were better in operations and efficiency than those that had no access to credit. In addition a study by Nkeobuna (2012) on bank credit in Nigerian SMEs found that it was quite challenging for SMEs to access financial loans from Nigeria's banking sector.

Mokau (2013) reported that borrowing as a startup especially to SMEs in Kenya has improved greatly. He also noted that some SMEs lacked access to credit and thus their experienced low growth rate and well as strained operations. Musa (2012) revealed that financial accessibility, financial constraints and other financial related aspects influenced a firm's growth indicators. According to this study which targeted SMEs in Nairobi, Musa found out that the performance of businesses and acess to finances were positively related.

Improving Social Status

According to Ahern and Galea, (2011), the social status of an employee among other factors like social participation, social cohesion and social capital affect his or her efficiency in the workplace. This implies that social status has a significant impact of all businesses SMEs included. He adds that social status has a positive boost on impact on how employees performe. There is symbolic connection between business and the social status of employees among other social factors. In other words, business is influenced by the social status of its employees.

Shin and Inoguchi (2009) adds that the happiness of an employee outside the workplace and the quality of his or her life had a significant impact on their performance at their workplace. They argued out that the growth of SMEs is significantly tied to the quality of their social life. They found that employees that are happy in their social context perform better than employees that are unhappy in their social context.

Večerník (2012) explains several dimensions of social welfare which is a measure of the standard of living and performance of businesses. According to the research, the well-being and welfare of an employee greatly influence their input towards the production and management process. Other aspects of social well-being that affect businesses include physical environment, health, education, personal undertakings including work, political environment, and relationships and economic uncertainty.

An employee who has a high social class expects a relatively higher pay as compared to one who has a comparatively lower social class. This may affect the business in that they might bargain for relatively higher wages as compared to them that are in lower social classes.

Theoretical Review

Trade off Theory

This is a theory that was developed to show the relationship between loan interest and tax evasion. It was developed by Kraus and Litzenberger in 1973 and it states that the optimal capital structure for a business is a trade-off between interest accrued from loans and the tax shield benefits of the same loan. A tax shield is where taxes reduce by having a loan that reduces the taxable income According to Wan Nor (2015) in his study found that most business people requested loans that attracted lower interest not only to make their businesses stronger but also to avoid paying taxes.

The theory compares the tax benefit a business gets when they get a loan as compared to the interest accruing from same loan. The theory is used by businesses and corporations to secure loans for operations and growth while at the same time enjoying the benefits of "tax evasion".

SMEs optimum loan amount is that which generates relatively higher tax shield as compared to a relatively lower interest. SMEs owners and managers should apply the same concept when applying for loans. Zelia (2012) in his study of SME in Portugal found that most of the small and medium business people sought loans from institutions that had subsidized loans compared to loans from other financial institutions which had higher interests.

This theory is relevant in the study since it sheds light on two issues that affect the growth of SMEs that is interest on loans got and taxes paid. Entrepreneurs should take advantage of the tax shield and secure their loans. However they should be mindful that the tax shield benefit should not exceed the interest paid for the loans.

III. RESEARCH METHODOLOGY

Research Design

Descriptive survey was the research design adopted aiming to identifying the factors that influence the growth of SMEs in Juja Constituency. Richie,2013 explains that descriptive research survey methods help the researcher to observe a large mass of a target population and make reasonable conclusions about the research variables. The descriptive study aims to provide the researcher with a profile of the phenomenon of interest (Tavakil, 2012).The method was also preferred because it saves time and is cheaper compared to other methods.

Target Population

Targeted population was respondents from all the 5 wards that make up Juja constituency i.e Juja, Kalimoni, Witeithie, Theta, and Murera. According to the report from Juja constituency office dated 12th September 2017, there were 201 groups which had already benefited from the uwezo fund in the Constituency. The 201 groups formed the target population.

Table 2.0 Source Juja Constituency Office

Constituency Ward	Target population
Juja	69
Witeithie	29
Kalimoni	34
Theta	38
Murera	31
Total	201

Sample Size

A list containing all beneficial groups of SMEs from the constituency was composed. There are 5 strata (see table 2.0 below). Each rank has a key informant per SME which was selected purposively. The informants included either the SME owner or the employees. A total of 61 informants formed the sample. The sample selected represented a 30%.of the target population as the sample size, Mugenda and Mugenda (2003) justified 30% to be a true representative of the whole population.

Sample Size

Table 3.0 Source Juja Constituency Office

Constituency Ward	Target population	Sample size
Juja	69	21
Witeithie	29	9
Kalimoni	34	10
Theta	38	11
Murera	31	10
Total	201	61

Data Collection Instruments

Questionnaires

The study used questionnaires in the collection of data. The researcher self-administered the questionnaires. (Schilder, 2009) recommends the use of questionnaires in descriptive studies because they typically cost less when compared to personal interviews. Mugenda and Mugenda (2003) observed that questionnaires help in acquiring significant information about the population. The questions were subdivided into various sections according to the objectives such as Uwezo fund lending, training and facilitation and Social status.

This ensured that the data collected answered the research questions and addresses both the dependent and independent variables.

Validity & Reliability

Validity

It measures the correctness of measurement of the research instrument. It is the ability to generate the intended results over and over again. In order to ensure that the questionnaire is validity is ensured must be free from any error (Tavakol, 2011). Mugenda and Mugenda, (2003) indicates that the research study quality is highly dependent on the accuracy of the procedure used in data collection.

Reliability

Reliability of a test is shown when it consistently measures what it is intended. That is when the test done repeatedly over time results will be similar. Reliability of a research instrument in this case questionnaire was tested by the use of Cronbach's Alpha Co-efficient. The co-efficient was 0.74 as computed using SPSS which is above the recommended value of 0.7.

Data Collection Procedure

Data collection was done systematically. An Introduction letter from ethical committee Kenyatta University School of Humanities and Social Sciences was obtained. The researcher notified the SMEs owners before data collection started. Later the questionnaires were administered to the respondent with help of an assistant. They were also advised on how to respond. They were guaranteed privacy and confidentiality. The questionnaires were collected after three days, they were cross checked to ensure that they meet the required standard.

Data Analysis Techniques

Descriptive statistics was employed in data analysis. To improve the quality of responses all measure were taken to ensure minimal inaccurate and incomplete data. Data coding was done then entered in Statistical Packages for Social Sciences (SPSS) software for analysis. Quantitative data was analyzed using measures of distribution like percentages and frequencies.

The researcher categorized the responses according to the objectives and analyzed them while answering the research questions.

Ethical Considerations

It involved clearance to conduct the research, obtaining the permit and, informed consent of the participants. A request was done to Kenyatta University to allow the researcher progress with the study. NACOSTI permit, Kenyatta University Ethics committee and Juja Constituency office permit was obtained. The objectives of the study was shared with the participants while guaranteeing them that their information will be privately and confidentially kept. Names were not allowed but only signatures for the purpose of maintaining integrity, privacy and confidentiality of the respondents.

IV. DATA ANALYSIS AND DISCUSSION

Introduction

This chapter will present the analysis and the findings of the study as explained in chapter three. The findings were to establish the role of Uwezo Fund on the economic growth of small and medium enterprises in Juja Constituency. The data was collected through questionnaires as the research measurement tool which had been designed conforming to the objectives.

Response rate

61 respondents were targeted in data collection regarding the role of Uwezo Fund on the growth of SMEs specifically in Juja constituency.61 questionnaires were distributed and only 48 were filled and returned constituting 79% response rate. Descriptive statistics was used in data analysis together with Statistical package of social sciences the findings were presented using tables and graphs.

Table 4.1: Response Rate

Respondents	Response	Percentage
Successful questionnaires	48	79
Unsuccessful questionnaires	13	21
Total	61	100

Source: Field data (2019)

Financial Upgrading

The researcher attempted to determine the financial upgrading effects on the growth of SMEs in Juja constituency. The research findings were presented in the table 4.3.

Table 4.2 Financial Upgrading

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Extent to which individual loan is preferable to group loan	0%	29.20%	12.50%	14.60%	43.80%	3.729	1.3004
Extent of ease of loan accessibility	16.70%	66.70%	4.20%	0%	12.50%	2.25	1.13924
Extent of ease in group formation	0%	22.90%	58.30%	0%	18.80%	3.145	0.98908
Extent of agreement of low interest loan	0%	0%	0%	47.9%	52.10%	4.520	0.50485
Extent of ease of additional loan	0%	16.70%	79.20%	4.20%	0%	2.916	0.57735
Extent of business expansion	37.50%	0%	29.20%	6.30%	27.10%	3.229	1.22456
Extent of status improvement	6.30%	10.40%	45.80%	0%	37.50%	3.520	1.27145
Extent of profit increase after Uwezo loan	0%	4.2%	33.3%	43.1%	18.80%	1.187	0.39444
Average						3.01	0.93

Source: Researcher (2019)

The researcher wanted to establish the extent of ease of Uwezo loan accessibility. The results indicated that majority of 66.7% disagreed while 16.7% strongly disagreed, while 4.2% were neutral and 12.5% agreed its easy to get Uwezo loan. Further, the study attempted to determine the preference of individual loans to group loans. 43.8% agreed and14.5% strongly agreed individual loans is preferable to group loans, however,29.2% disagreed. The group deferred with Attanasio et al. (2011) who indicated that majority of the sampled entrepreneurs preferred group loans than individual loans. Conversely, Wameyo (2011) reported that majority of group Investments fail. The researcher also sought to establish whether the respondents met difficulties while forming groups so that they take a loan. Majority of 58.3% were neutral and abstained to expose the ease or difficulty they went through while forming groups 22.9% disagreed while only 4.2% agreed that it was easy. The results also indicated that 52.1% strongly agreed that the loan had a low interest rate and 47.9 agreed the same.

The researcher sought to assess whether it was easy to access additional loan after the initial loan. Majority of 79.2% were neutral they did not commit on the issue.16.7% disagreed while4.2 agreed. The results also indicated that 81.3 % they had only taken the initial loan while18.8% had taken the loan more than once.

The study also attempted to determine whether the respondents' profits had increased after accessing the loan 43.1% agreed that they had noted profits increase after accessing the loan. 33.3% indicated that they were neutral about it.18.7% strongly agreed while 4.2% disagreed with it. The findings concur with that of European Central Bank

(2013) whose survey established that SMEs financial accessibility had reported great profits in their businesses. The researcher also sought to establish whether Uwezo Fund led to the respondents employing more people in their enterprises. Most respondents, constituting 37.5% indicated that they disagreed 29.2% were neutral about it. 27.1% agreed and 6.3% strongly agreed. No one disagreed strongly. This indicated that the Uwezo fund beneficiaries hadn't created jobs as expected. These findings deviated from Badal (2013) who studied 200 SMEs in the United States who had benefitted from low interest government funds and established that the entrepreneurs became more stable financially and this encouraged creation of more jobs. Acosta (2010) also established that subsidized loans led to job creation in Europe.

The overall mean was 3.01 with a standard deviation of 0.93.These results indicate that the financial upgrading is a key factor in explaining the growth of SMEs in Kiambu County. This was in consistent with a study done by Kanyugi (2011) who established that SMEs growths require funds to grow financially

Training and Facilitation

The researcher sought to determine whether the training and facilitation by Uwezo fund had any effect on the growth of SMEs in Kiambu County. The findings were as presented below.

Table 4.4 Training and Facilitation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Extent of training on marketing of products	0.00%	0.00%	56.30%	43.80%	0.00%	3.44	0.50
Extent of training on record keeping	0.00%	12.50%	33.80%	43.80%	10.00%	3.31	0.69
Extent of training on business efficiency	0.00%	0.00%	58.30%	31.30%	10.40%	3.52	0.68
Extent of training on running the business	4.20%	14.60%	43.80%	37.50%	0.00%	3.15	0.82
Extent of training on developing a business plan	0.00%	18.80%	29.20%	0.00%	52.10%	3.85	0.98
Extent of provision of business incubators	6.30%	93.00%	0.00%	0.00%	0.00%	3.01	0.49
Average						3.38	0.69

Source: Author (2019)

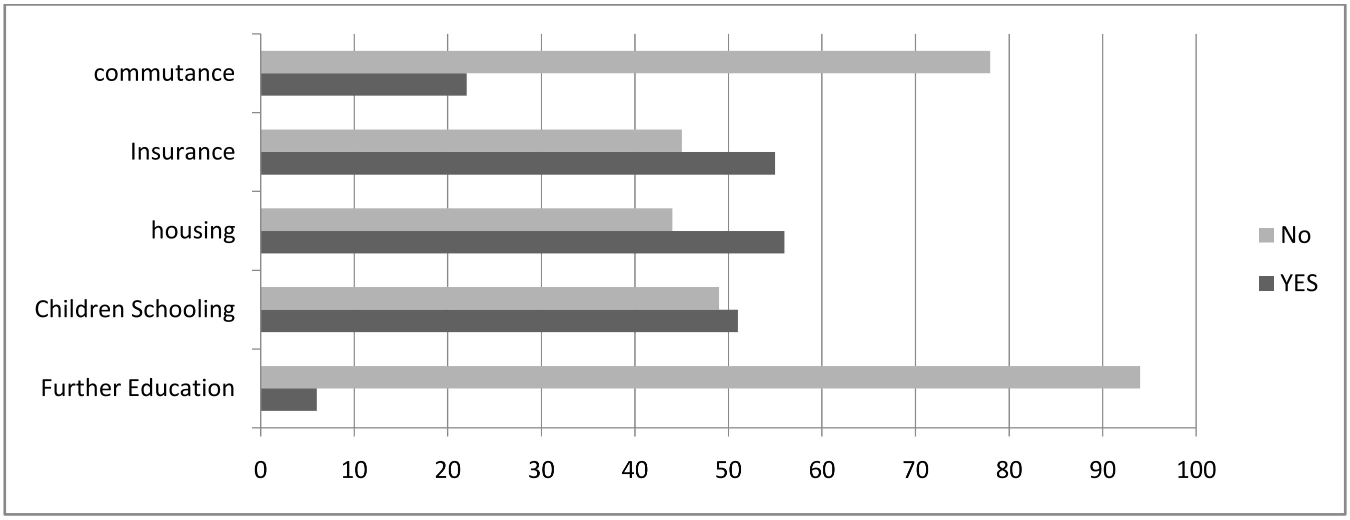
The researcher attempted to determine whether the respondents had been trained on business efficiency. The results indicated that 31.3% agreed 10.4 % strongly agreed while 58.3% were neutral on whether they had been trained on business efficiency or not. None of the respondent disagreed. The researcher also sought to establish whether Uwezo Fund had trained the beneficiaries on how to market their good and services. The findings indicated that 56.3% were impartial whether training on marketing was done or not but 43.8% agreed they had been trained. The findings showed there is need to strengthen training on products marketing. The results concurred with Sogwe et al. (2011), who studied the market expectation and customer orientation among YEF beneficiaries where the majority failed, on market and technology test.

In addition the study sought to determine whether Uwezo fund had trained the respondents on how business plan is developed. The study established that 52.1% agreed, 29.2% were neutral, and 18.8% disagreed on business plan training. The findings agreed with the Uwezo Fund report since majority of the beneficiaries had been trained. The researcher also sought to establish whether Uwezo fund had trained the respondents on how to keep financial records. The result indicated that 53.8% agreed that they were trained, 33.8% were neutral while 12.5% disagreed that they were trained. Keeping of financial records is very crucial towards prosperity of an enterprise. On running of a business, majority consisting of 43.8% were neutral, 37.5% agreed while14.6% disagreed. The study further established the provision of business incubators for respondents, where the results indicated that 93.7% disagreed on any provision of business incubators while 6.3% strongly disagreed. The findings agreed with Anyieni (2014 who found out that most SMEs operating in Kenya are not well furnished on entrepreneurial training but disagreed with Uwezo Fund report (2016) report which indicated that it had trained more than 220,000 beneficiaries in the country.

The overall mean was 3.38 with a standard deviation of 0.69 which implies that training and facilitation is very important in determining the growth of SMEs in Kiambu County. The results concurred with the Uwezo fund report (2015) which stipulated that they had established a compulsory pre-financial training programme to nourish the SMEs

Improving the social status

Fig. 4 The Improved social status



Source: Analyst (2019)

94% of the respondents pointed out that they have not furthered their education since the time they accessed Uwezo Fund. On schooling of their children, 51% of the respondents indicated that schooling of their children was impacted positively after they accessed Uwezo Fund. On whether their housing has improved 44% agreed and 56% disagreed.55% of the repondents agreed that they got Insurance cover after accessing uwezo loan that they did not have before.78% disagreed that their commutance to work had been affected by accessing Uwezo Fund.

Regression Analysis

It is a statistical procedure that tries to explain the relationships that exist among variables.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R-Square Change	F-Change
1	.763[a]	.582	.561	.38290	.582	29.040

The model estimates the relationships of the variables being studied. The value of R2 is 0.582 indicating 58.2% growth of SMEs resulting from the independent variables. Financial upgrading, Training and facilitation and improved social status optimally explained the growth of SMEs in Kiambu County.

Analysis of Variance

Table 4.6 Analysis of Variance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.193	3	3.064	15.966	0.001
	Residual	8.644	61	0.305		
	Total	17.837	64			

Source Analyst (2019)

The analyzed model stipulates that it has appropriately explained the relationship of the dependent variables. The growth of SMEs: Constant, Financial Upgrading, Training and facilitation and improved social status. This is evidenced by the p-value being less than 0.05, which show its significant.. The three variables predict the growth of SMEs in Kiambu County. The research findings are consistent with those of Mayuran (2015) who studied training impacts on growthof SMEs in Sri Lanka-Jaffna District and used a linear regression analysis, concluded that entrepreneurship training contributed towards the growth of small and medium enterprise in Jaffna district.

Regression of coefficients

	Variable	B	Std. Error	t	Sig.
	(Constant)	1.323	0.604	2.271	0.0036
	Financial Upgrading	0.204	0.089	2.112	0.0373
	Training and Facilitation	0.212	0.062	2.091	0.0417
	Improved Social status	0.217	0.054	2.162	0.0491

Source: Analyst (2019)

The results above indicate that the positive relationship between financial upgrading and growth of SMEs. Its beta coefficient is 0.024 and the level of significance is 0.037 .This shows a positive relationship since it is less than 0.05 significance level. This means more expansion of financial upgrading by one unit will most likely lead to increase in SME growth by 0.204 all other factors held constant. The results fail to reject the null hypothesis that an increase in financial upgrading leads to the increase in economic growth of SMEs. The results were in consistent with Nkeobuna(2012) who studied the performance of SMEs in Nigeria and found that failure to have finances highly affected the SMEs performance negatively.

The result also indicated a positive relationship between growth of SMEs and Training and facilitation whose beta coefficient is 0.212.The significance level is 0.037, this shows a positive relationship since it is less than 0.05 P- value. The result indicate that one unit increase in Training and facilitation will most likely lead to increase in SME growth by 0.204 units all other factors held constant. The study fails to reject the null hypothesis that there is a significant relationship between the training and the growth of SMEs.

The results indicated that the third independent variable; Improved financial Status had a positive relationship with the growth of SMEs. It had a beta coefficient of 0.217 and a significance level of 0.049.This means that the improved social status showed a significant relationship since P-Value is less than 0.05 significance level. This means that one unit increase in improved social status will most likely leads to 0.217 increase in SME growth all other factors held constant. The study fails to reject the null hypothesis that an improved social status leads to an increase in economic growth of SMEs.

The regression equation is as follows:

Growth of SMEs = 1.323+ 0.204 Financial Upgrading + 0.212 Training and facilitation + 0.217 Improved Social status

The results indicate that Financial Upgrading, Training and facilitation and improved social status played a great role on the growth of SMEs.

V. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings and discussion

This study aimed to establish the role of Uwezo fund on the economic growth of small and medium entrepreneurs' in Kiambu County by carrying out a descriptive survey of SMEs in Juja Constituency.

The study revealed that although the respondents were able to access the Uwezo Loan, majority that is 62% indicated that they had noted an increase in sales and profitability. However, majority disagreed that access to loan enabled them generate employment for more workers. Majority preferred individual loans indicate by a response of 48%.This may be why most of them didn't want more loans.82% had only accessed first loan. The initial objective of Uwezo loan was to be accessed by the loaned many times in larger amount after payment of the initial loan, this hinders the objective of loan. In conclusion the Uwezo Loan should improve on its accessibility to absorb entrepreneurs who opt to take the loan as individuals and not as a group. On level of savings, the more the savings the more accessibility you have, the study concludes that the Uwezo Fund is great encouragement towards savings.

The study indicated that 52% of respondents have been trained on how to plan their businesses. This is very important step toward success of every enterprise. Majority of the small and medium entrepreneurs do not have basic training on business management, this makes it very essential for the entrepreneurs to be trained. On business efficiency majority were neutral, this meant that although they may have been trained it did not impact well in their enterprises. On marketing of the respondents' product 56.3 percent who are the majority were not trained on how and where to market their products, only 43.7% of the respondents indicated that they were trained on marketing. On keeping financial record majority indicated that they were trained. In conclusion, the study established that Uwezo Fund has partially impacted on the beneficiaries but a lot more needs to be done.

On Improved social status, 51% of the respondents indicated that it has prospered on schooling of their children. Majority of 56% disagreed that access to Uwezo fund has positively impacted on their housing but 44% of the respondents' agreed that they live in better houses than before accessing the funds. On Health insurance, 55% of the respondents agreed that they got Insurance cover that they did not have before accessing uwezo fund.78% disagreed that their commutance to work had been affected by accessing Uwezo Fund.

Conclusion

The results indicated that there is a financial upgrading and growth of SMEs had a positive relationship. Uwezo Fund has offered financing support to various groups in support of their businesses. This is evidenced by majority agreeing to the fact that their financial upgrading played a great role on the growth of their businesses. The study also concluded that training and facilitation is very important toward growth of any business. It had a significant relationship with growth of SMES. Majority were of the opinion that the entrepreneurial training they got from Uwezo fund played a great role in their business' prosperity. However, more needs to be done since respondents were not fully taught on important issues like marketing. The results indicated that improved social status also had a positive relationship with the growth of SMEs. The respondents indicated that it impacted on schooling of their children, health issues and housing and therefore the study concluded that improved social status played a key role towards the growth of their SMEs.

Recommendations

Based on the research findings, the researcher would recommend that in addition to Uwezo fund giving group loans; it should also result in giving individual loans as the majority of the respondents preferred. It should also intensify on the financial and management training since this is key towards success of every enterprises. In addition to training and funding, the funders should show the beneficiaries where to market their products.

Suggestions for further studies

The researcher noted that there were other governmental funds like WEF and YEF. The researcher recommends that more research may be done on them to establish whether they have impacted positively on the growth of Kenyan SMEs. Research also may be done to determine whether they have achieved their objectives to enable the government whether it should encourage or abolish those government funds.

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