

**THE EFFECT OF LOCAL SERVICE
TAXES ON GROWTH OF WOMEN
ENTREPRENEURS IN SMALL
BUSINESS ENTERPRISES**

**A CASE STUDY OF ST.
BALIKUDEMBE MARKET**

BY

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, research objectives, and research questions, scope of the study and significance of the study.

1.1 Background to the study

According to Manasseh (2000), a tax is generally referred to as a compulsory levy imposed by government upon assesses of various categories and taxation is a compulsory and non-refundable contribution imposed by government for public purposes. In Uganda a considerable fraction of the businesses are sole traders operating small scale business, locally owned and managed by individuals or families and often with very few employees working at a single location (Uganda development bank report, 1988).

Local tax is a tax levied on salaries, wages and incomes of all persons in gainful employment and its purpose is to raise additional revenue service delivery in the Capital City. Local Service Tax is

governed by the Local Government (Amendment) No.2 Act 2008-“An act to amend the local Governments Act to provide for additional taxes to be levied, collected and charged by local governments in order to provide new sources of revenue for local Governments and for related purposes” (KCCA Assessment and Payment 2017).

World Bank since 1976 defined Small Business enterprises as firms with fixed assets (excluding land) less than US\$ 250,000 in value. Grindle et.al (1989:9-10) defined Small scale enterprises are firms with less than or equal to 25 permanent members and with fixed assets (excluding land) worth up to US\$ 50,000. USAID in the 1990s defined Small scale enterprises as Firms with less than 50 employees and at least half the output is sold (also refer to Mead, 1994).

Pareek (1992) defines women entrepreneur as a females who plays a captivating part by repeatedly interacting and keenly adjusting their self with financial, socio-economic, and support spheres in society. Women entrepreneurship is the process whereby women take the lead and organize the business or industry and provides employment to others.

The study was based on the Grounded theory approach on measuring performance of Small business enterprises developed by Chong (2008); the theory will help to set the process of extensive in-depth semi-structured interviews and observations while maintaining the natural settings of the business processes. It was thus identify the financial and non-financial measures based on short-term and long-term matrices of small and medium sized enterprises. The theory was in line with the goal approach, the owners-managers focused their evaluation process on abilities to attain the internally generated goals and targets in the market.

The study was also based on Alberto et al., (2013) theory, which developed a Small business enterprises theory of planned behavior on what marketing for Small business enterprises entrepreneurs, the need to market the marketing approach. The theory stated that, the adoption of the marketing approach is conditioned by entrepreneurs' own conception of marketing, which may be substantially different from that proposed, in a paradigmatic way, by academics under different names that, is, the transactional, relationship existing between and among these Small business enterprises, or inductive marketing. This implied that, the potential benefits for Small business enterprises, coming from its adoption, rely upon what entrepreneurs really do when they think they are implementing a marketing programme (Alberto et al., 2013). Therefore the aim of this theory was: to shed light on women entrepreneurs' conception of marketing, in order to verify whether their interpretation differs from that proposed by marketing researchers, and to assess quantitatively the psychological determinants of the entrepreneurs' intention (marketing technique) to adopt a marketing approach by applying a well-known model for predicting both human and organizational behaviors (Alberto et al., 2013).

Globally the impact of women entrepreneurs is gaining recognition intensely; worldwide, as the number of female business owners continues to increase steadily as women entrepreneurs and are making positive impact in the global economy majorly in small scale businesses. For instance, women produce over 50-60 percent for Asia, 26 percent for the Caribbean, 34% for North Africa and the Middle East, and more than 30% for Latin America (Ali and Ali, 2013).

In Africa, there is a slow growth within the large private sector enterprises implying that small scale enterprises are of significant importance (Friedrich, Glaub,

Gramber & Frrese, 2003). The government of Kenya has recognized the importance of developing women in small, medium and micro-enterprises through funding so as to promote and achieve growth as well as create wealth and employment. According to Timmons and Spinelli (2004) the low levels of representation of women, in particular those pursuing advanced business, Science and Engineering is significantly different from that of men.

In Uganda, According to the 2010/11 Census of Business Establishments (COBE), there were 458,106 businesses with fixed premises in the country: 44% owned by females and 56% by males (256,539) (UBOS, 2011). A comparison with the 2001/02 COBE data shows a 19% increase in the proportion of women-owned enterprises, up from 37% in 2001/02. Over the ten-year period (between Establishment Censuses), growth in the number of women-owned businesses has outpaced that of male-owned businesses by 1.5 times (236% compared to 153%). However, many women entrepreneurs are operating from their homes or non-permanent premises, which are not covered by the Census of Business Establishments (COBE). Indications are that women's share of microenterprises is considerably larger than their share of small and medium enterprises. According to results from the Uganda Household Survey 2009/10, 75.9% of Ugandans were self-employed, including 86.2% of working women and 72.1% of working men (UBOS, 2013, p. 18). The self-employment rate is also high among the 18-30 age group: 61.5% among young women and 52.5% among young men (UBOS, 2013, p. 19). Since the average labour force participation rate of men and women in Uganda is very high – 92.2% for men and 91% for women (UBOS, 2013), the high level of self-employment is indicative of a paucity of paid employment opportunities.

1.2 Statement of the Problem

Global Entrepreneurship Monitor (GEM) report of 2003, Ugandan women tend to be more likely than men to be motivated to start a business out of necessity (30% of the women and only 21% of the men). Despite the fact that women entrepreneurs are increasing at high rate in the country for example food groceries, food selling, restaurants, market stalls and shoe selling, among others, with the help of the government programmes such as prosperity for all (Bonna Bagaggawale), supporting women entrepreneurs through Savings and Credit Cooperative Societies (SACCOs), village Saving and Loan Associations (VSLA), cash rounds, getting assistance from microfinance institution like BRAC Uganda among others, enterprise Uganda support programs, faith based poverty intervention, still women entrepreneurs are not performing well in the small scale business sector, their business have continued to be declining at a high rate, one wonders whether local service tax has something to do with solving the problem.

It's from the above background that the study therefore seeks to establish the effect of local service taxes on the growth of women entrepreneurs in the markets using St. Balikuddembe as the case study.

1.3 Objectives of the study

1.3.1 General objectives

The main objective was to assess the effect of local service taxes on the growth of women entrepreneurs in the markets

1.3.2 Specific objectives

1. To find out the different local taxes imposed on women entrepreneurs in St. Balikuddembe Market.
2. To determine the challenges faced by women entrepreneurs in undertaking Small Business Enterprises in St. Balikuddembe Market.

3. To find out the possible solutions to overcome challenges faced by Small Business Enterprises owned by women entrepreneurs in St. Balikuddembe Market.

1.4 Research Questions

1. What are the different local taxes imposed on women entrepreneurs in St. Balikuddembe Market?
2. What are the challenges faced by women entrepreneurs in undertaking Small Business Enterprises in St. Balikuddembe Market?
3. What are the possible solutions to overcome challenges faced by Small Business Enterprises owned by women entrepreneurs in St. Balikuddembe Market?

1.5 Scope of the Study

1.5.1 Geographical scope

The study was conducted in St. Balikuddembe Market which is located in Centre of Kampala City the Capital City of Uganda which is surrounded by Kisenyi area in the south next Ham building and next Nakivubo stadium. St Balikuddembe Market is shares a boundary with Nakivubo Stadium and is within working distance of the tax and bus terminals. It is in the Centre of the central business of Kampala City.

1.5.2 Subject Scope

The study sought to investigate the different local taxes imposed on women entrepreneurs, challenges faced by women entrepreneurs in undertaking Small Business Enterprises, possible solutions to overcome challenges faced by Small Business Enterprises owned by women entrepreneurs in St. Balikuddembe Market. This is because small scale businesses are the major determinants of economic growth and development of the country.

1.5.3 Time Scope

The study was effective from the month of September, 2021 to February, 2022 considering the status of the women in St. Balikuddembe Market. This period was chosen because it might be enough for the study to be completed and make a report.

1.6 Significance of the Study

To Academicians

The study might act as a reference for other researchers that might conduct studies on women entrepreneurs and small scale business, the study will avail information to these researchers hence acting as a reference.

To the Government

The study might be of importance to the Government of Uganda in identifying the importance of women entrepreneurs; this will help government to know the loop holes and challenges faced by women entrepreneurs and the way of addressing them.

The findings will enable the stakeholders such as the government and policy makers to come up with a solution on how to boost small business in St. Balikuddembe Market.

To Management of SACCOS

The study will enable the management to understand the effect of micro-savings offered by microfinance institutions on economic empowerment of women in small scale business in Uganda.

The study will help to reveal the forms of credit services offered by microfinance institutions to small scale business growth financially.

To Women Entrepreneurs

The study will be beneficial to the business owners to know the factors limiting the growth of small scale business economically/financially

The study might be useful in showing the challenges faced by small scale business owned by women entrepreneurs and it will also aid in soliciting the possible solutions to overcome these challenges.

1.7 Structure of the dissertation

Chapter one comprise the introduction which deals with the background of study, problem statement, objectives of the study, research questions, significance of the study, scope and organisation of the study.

Chapter two reveals both the literature survey and empirical literature about the topic.

Chapter three looks at the methodology which is basically the research purpose, design, data collection methods, population, sampling technique for data collection and questionnaire design as well as limitations of the study.

Chapter four presents analysis and discusses the empirical results

Chapter five presents the summary of findings, conclusions as well as recommendation

CHAPTER TWO

STUDY LITERATURE

2.0 Introduction

This chapter entails the study literature; it highlights literature survey, literature review, and conceptual framework analysis.

2.1 Literature Survey

This essentially looks at research works conducted locally in Uganda related to the theme of this study, non-specifically its relationship with small business economic empowerment.

A study by Katusabe B. Mariam (June, 2017) on the effect of taxes on the financial performance of small scale businesses in Uganda: a case study of Owino Market-Kampala Central Division. The objectives were; to establish the types of taxes levied on small and medium sized enterprises in Owino Market in Kampala Central Division, to determine the relationship between income tax and profitability levels of SME's in Owino Market in Kampala Central Division, to assess other factors that affect the profitability levels of SME's in Owino Market in Kampala central division.

The study was both quantitative and qualitative, under quantitative design, the data collected was measured in terms of costs and revenue expenditures of the district by use of statistical findings hence the researcher was able to measure and analyze data obtained. A cross-section study design was used in the course of research. It was concerned with gathering data from a large number of samples, thus Owino market vendors and proprietors was of great importance in the study population since they are expected to inform matters concerning local taxation system.

The target population was estimated to over 50,000 vendors/traders in Owino Market, of whom approximately 70 percent are women. The data was collected from the 1,000 respondents (small scale business owners) from Owino market. Quantitative and qualitative research design was used to analyze data and finally, the data was encoded and edited for easy interpretation.

The findings revealed that there was a positive correlation between Income Tax and Infrastructural Development as shown by a correlation figure of 0.512, it was also clear that there was a positive correlation between sales taxes and increase in saving and investments adopted with a correlation figure of 0.609, there was also a positive correlation between property taxes and controlled market failure with a correlation value of 0.732 and a positive correlation between estate taxes and Redistributed income with a correlation value of 0.518. This shows that there was a positive correlation between; taxes and Infrastructural Development increase in saving and investments and controlled market failure and Redistributed income.

It was concluded that high taxes and poor taxation policies largely affect small business performance. The URA system should ensure periodic reviews and revisions, strengthen measures to ensure proper keeping and maintenance of records and books of accounts, taxpayers education to focus on small businesses, regular investigative audits be carried out to ensure that non-compliant taxpayers are penalized and fined according to the tax laws, rules and regulations.

From the findings the following recommendations were made: The URA should educate the business community about different tax rates, mode of payment because some tax payers do not know those rates and the mode of assessment; URA should improve on the methods of

collecting taxes by designing and updating simplified system, simplicity of the system; the government should harmonise the tax base by defining sanctions for taxpayer's non-compliance.

A study by Odongo David Bosco (July, 2011) on "the impact of taxes on performance of small scale business enterprises in Uganda (SSBs)", taking a case study of Ntungamo Town Council". The study aimed at assessing the performance of business enterprises in Ntungamo Town Council, finding out if tax payers are aware of all their tax obligations, policies and problems affecting them as well as their businesses. The study applied both qualitative and quantitative research designs where interviews and questionnaires were used. Data was collected from both primary and secondary sources. Data was processed and analysed using formal tables, pie charts, narrative text, and correlation to find out the relationship between the impact of taxes and performance of small scale businesses. A total of 50 respondents were considered out of the entire population in the Town Council.

The findings indicated that the performance of SSBs is affected by stock levels, capital employed, daily expenses, daily sales and the average amount of taxes paid annually. Most business owners are aware of taxes paid, uncertain of the mode of assessment and little assistance is given as regards tax awareness. The findings revealed the problems faced by the tax payers as regards mode of assessment, collection and tax collectors, inefficiency by tax collectors, loss of equipment, loss of sales and loss of stock as a result of taxes.

She recommended the following; improvement on the method of collecting taxes, educating the business community about its different tax rates, introducing a scheme that allows tax payers to pay the tax obligation in installment, and finding a

way of assessing the tax the SSBs should pay early in the financial year in order to give enough time to the business to pay up their duties rather than make an assessment and demand for payment spontaneously. She concluded that taxes are major limitations to the growth and expansion of SSBs in Ntungamo Town Council. This is because very little and sometimes nothing is left after covering expenses and tax to allow for the expansion and growth of the existing SSBs.

Another study by Nanyanzi Donna Mutesi (2019) on the "microfinance services and economic empowerment of small scale business: Case Study of St. Balikuddembe Market". The objectives were; to assess the roles played by Microfinance Institutions in small business Development, to examine the importance of small business in economic development of the country, to establish the relationship between microfinance services and small business empowerment.

The study was conducted in St. Balikuddembe Market which is located in Centre of Kampala city the capital city of Uganda which is surrounded by Kisenyi area in the south next Ham building and next Nakivubo stadium St. Balikuddembe Market. The study used a total sample of 50 respondents that be selected from vendors of St. Balikuddembe market and staff members of Micro Finances that are located in St. Balikuddembe market.

From the study findings, it was revealed in table 4.5 that majority of the respondents 47(94%) strongly agreed that microfinance institutions provide easy access to credit/loans as finances to small business owners, and 3(6%) of the respondents disagreed. Furthermore, From the study findings, it was revealed in table 4.5 most of the respondents 30(60%) disagreed that microfinances charges low interest rates charges of small business owners accessing loans and 17(34%) of the total

respondents strongly agreed. Microfinance institutions provide easy access to credit/loans as finances to small business owners, however, microfinances charges high interest rates charges of small business owners accessing loans

The study recommended that microfinance institutions should repackage their products and services to make them more attractive in other to serve the main purpose for which they had been

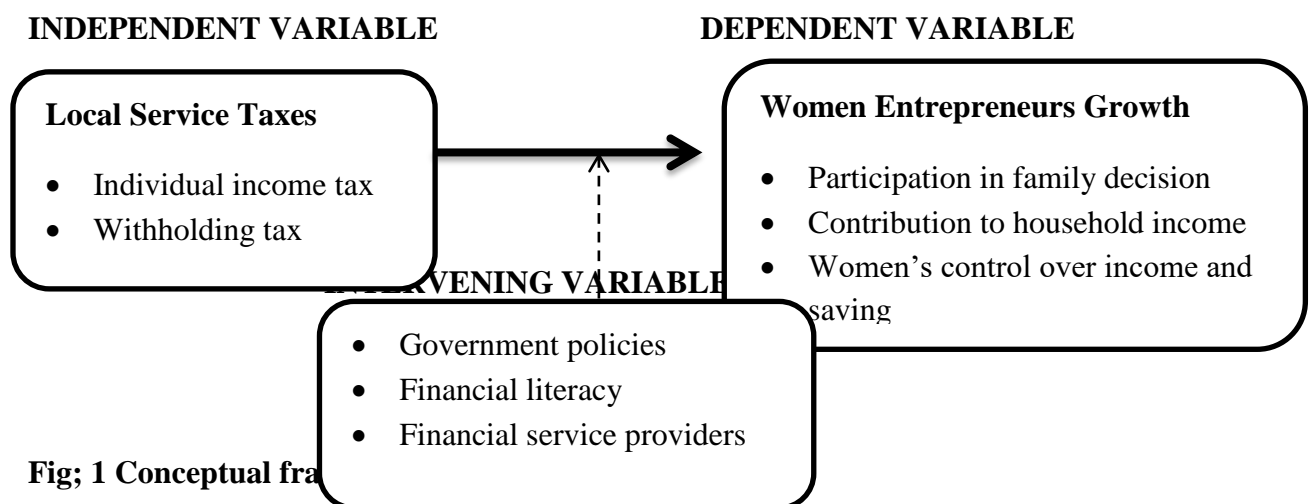
business enterprise

established - poverty alleviation and women empowerment. This should be done by reducing their interest rates, reducing the requirements for collateral and the mode of paying loans by small businesses. This will enable the working poor secure loans from them to run their businesses rather than SBs seeing them as solely for profit making entities

2.3 Forms/Types of taxes levied on Small

2.7 Conceptual Framework

Conceptual framework shows the conceptual framework drafted for this study based on the literature surveyed and relevant theories and concepts that provide a clear understanding of the research problem.



Fig; 1 Conceptual fra

Source; Thomi and Yankson (2009) cited in Bhasin and Akpalu, (2010) and modified by the researcher.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter explains details of how the study was conducted. It presents the research design, study population, sampling procedures and sample size, data collection methods and instruments, data analysis and processing, and the limitations of the study.

3.1 Research Design

Creswell (2003) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. The study therefore used descriptive research design

when collecting data and information from the respondents because it helped to describe the characteristics of population, the study also adopted a correlation research design which is defined as the type of non-experimental research where the researcher employs the data derived from pre-existing variables, this was used since the study involves to investigate the relationship between local service taxes and women empowerment in small scale business (Simon & Jim Goes, 2011).

3.2 Study Population

A population is a complete set of individuals, cases or objects sharing some common characteristics from which a study sample is taken for the purpose of data collection (Mugenda, 1999).

In this research, the total population of the study used a total population of 50,000 vendors as per the Chairperson of St. Balikudembe Market Stalls and Lockup Shops Owners Association, working in over 1000 small businesses and the study considered the vendors basically women in St. Balikuddembe market and tax collectors in the market.

3.3 Sample Size

The study used a total sample of 50 respondents that be selected from vendors basically women in St. Balikuddembe market and tax collectors in the St. Balikuddembe market.

3.4 Sampling Technique

According to Matthew (2012), sampling is the process of selecting a number of people or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group. Stratified random sampling method is defines as a method of sampling that involves the division of the population into smaller sub groups known as strata, it will used to obtain appropriate data for the research, respondents was grouped into strata that was later randomly selected to get sample size; this ensured that each and every member of the population under consideration has an equal chance of being selected. The method rules out bias, simple to use, cheap and flexible to the researcher and does not have bias. The study also used simple random sampling.

3.5 Data sources

Data was got from both primary and secondary sources;

Primary Data

According to Drew (1980) Primary data is defined as information collected by researcher specifically for research assignment. Primary data involved direct extraction of information from the respondents using self-administered questionnaires.

Secondary Data

According to Oschman (2009) Secondary data is defined as data collected by a party not related to the research study that collected these data for some other purpose and at different time in the past, Secondary data was collected from journals, text books, management

reports, previous dissertations and internet. These sources helped me derive meaningful interpretation of findings.

3.6 Data Collection methods

Questionnaires methods

The researcher adopted the use of questionnaire as a method of data collection to the identified set of respondents. Questionnaire is useful because it is efficient use of time that is information can be collected from a large number of people and the questions can be easily analyzed, anonymity is possible and everyone gets the same questions that is, it is standardized.

Interview method; According to Boyce (2006) this is the type of method where the researcher asks questions face to face the respondents. This method was used to find information necessary information from the group more quickly just to allow individual self-expression. Interviews was conducted on those respondents who were busy attending to their customers, the researcher asked them questions while transacting their businesses.

3.7 Data collection instruments

The instruments of data collection are tools used to collect both primary and secondary data. Suitable, usable and adequate data for the study were collected through administering questionnaires and using an interview guide.

3.7.1 Interview Guide

Interview guides were used to gather data from the primary respondents. Interview guides helped the researcher to get in-depth information on perception and clarification on the objectives of the study since they allow room for probing, discussion and harmonization between the researcher and the key informants of the study. During interviews, the interviewer adopted an 'investigative' role by asking questions, controlling the dynamics of interviews, often engaging in dialogue with specific participants that are assumed to possess knowledge on the investigated theme (Cresswell, 2013). However, the interviewer ensured that the boundaries are kept, and that participants stay on the track.

3.7.2 Self-Administered Questionnaire

According to Cooper and Schindler (2006) the questionnaire is conveniently used because it is cheaper and quick to administer, it is the above researcher's effect and variability, and is highly convenient for the respondents as they could fill them during free times or when workloads are manageable. The questionnaires were designed in strategic way comprising of statements to be agreed on by the respondents. Questionnaires were chosen because the sampled population is literate and they are able to read interpret and write and due to Covid-19 social distancing is emphasized hence making his method more flexible to this this study. Closed ended questionnaire were preferred because it enabled the researcher to get feedback according to the research objectives. The questionnaires physically dropped to the selected respondents and picked after one week to give them more time to understand and answer the questions.

3.8 Data processing, presentation and analysis

Data processing

Data processing included coding and editing all the responses collected from the fields which were edited with the view of completeness and accuracy to ensure that data is accurate and consistent. Coding was done after editing which was done manually and by the use of computer through word processing and Excel.

Data Analysis

According to Bailey (1994) data analysis is generally used to show how significant the data collected was analyzed using different tables. The researcher used qualitative methods by summarizing the responses from the key information into tables, percentages and others with the help of Microsoft excel spread sheets and SPSS (Special package for social scientists), the Microsoft excel sheet enabled the researcher to derive table and charts whereas SPSS might specifically be used for data analysis. This was done manually because of varying responses whereas editing refers to the process of correcting errors from the respondents collected. Editing was done by checking in the questionnaires to eliminate errors and detect omissions to all the questionnaires the researcher focused on the information in the frequency tables to analyze and interpret the data.

3.9 Reliability and Validity of Data

The researcher used both Reliability and validity methods of data collection during the research.

Reliability

Joppe (2000) defines reliability as:...The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable This helped to check the reliability of the questionnaire. Following these consultations; the researcher made the necessary adjustments to ensure that the questionnaire were reliable. That's, questions were made clear, relevant, specific and logically arranged.

Validity

Winter, (2000) stated that the traditional criteria for validity find their roots in a positivist tradition, and to an extent, positivism has been defined by a systematic theory of validity. Within the positivist terminology, validity resided amongst, and was the result and culmination of other empirical conceptions: universal laws, evidence, objectivity, truth, actuality, deduction, reason, fact and mathematical data to name just a few. Validity determines whether the research truly measures that which it was intended to measure or how truthful the research results are. This was obtained by drawing up the objectives which guided the construction of the questions.

3.10. Ethical Considerations

1. The researcher attained an introductory letter from the institute to be used for accessing different targeted respondents.
2. The researcher also obtained informed consent of the respondents on the arrival at the data collection sites.

3. The researcher observed and respected the privacy, confidentiality and anonymity of all the participants and respondents in this study.

3.11 Limitation of the study

- i. Disease Outbreak (Corona Virus); The study was blocked by the Pandemic of Corona Virus (Covid 19) since it is risky to interact with people during this corona period which might lead to delay and postponement of respondent's appointment. But the researcher used mask and sanitizers when approaching respondents and make sure social distance is maintained.
- ii. A lot of money was required in this study. This involved buying data for internet, photocopying of articles, making phone calls, word processing, binding, transport. These increased the cost of the study. But the researcher plans to solicit for funding from the Guardians, friends, and in-laws
- iii. There was a threat of time limit and deadlines that need attention considering the fact that the study was carried out alongside other activities like course works, lectures and tests as well. But the researcher followed a time frame designed for the study in order to complete in time.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents the background information focusing on the gender of respondents, age bracket, period of work and types of business owned in the market. The study constituted of 50 respondents. These were adults from the selected case study of St. Balikuddembe market in Kampala recently known as Owino.

4.1 Background information of respondents

The researcher used the help of respondents during the study who gave relevant information. The background information of these respondents was considered and this comprised of their gender, age group, period of work and types of business owned in the market. Responses on these were as shown in tables below;

4.1.1 Gender Distribution of the Respondents

The study sought to ascertain the gender of the respondents that participated in the study and results obtained are summarized in table 4.1 below;

Table 4.1 Gender

Gender	Frequency	Percentage (%)
Male	27	54
Female	23	46
Total	50	100

Source: Primary Data, 2022

Table 4.1 above shows that out of the total respondents who participated in the study, 27(54%) of them were male respondents and other 23(46%) were female. This could be interpreted to mean that there was equal number of respondents who participated during the study.

Age bracket

The sought to ascertain the age of the respondents that participated in the study and results obtained are summarized in table 4.2 below:

Table 4.2 age bracket

Age bracket	Frequency	Percentage (%)
18-30 yrs	13	26
31-45yrs	27	54
Above 45 yrs	10	20
Total	50	100

Source: Primary Data, 2022

Table 4.2 above shows that, only 13(26%) were between 18-30 years, 27(54%) of the respondents were between 31-45 years, and 10(20%) were above 45 years. This means that most of the respondents were mature and old implying that they have stayed in St. Balikuddembe for a long period as seen in table 4.3.

Work experience

The study also further sought to ascertain the number of years respondents have been working with or in St. Balikuddembe market and results obtained are summarized in table 4.3.

Table 4.3 Work experience

Work experience	Frequency	Percentage (%)
0-2yrs	-	-
3-5yrs	10	20
6-10yrs	15	30
10-20yrs	20	40
Above 20yrs	5	10
Total	50	100

Source: Primary Data, 2022

Table 4.3 above shows the number of years respondents have spent working in St. Balikuddembe market. Results obtained show that 10(20%) of them had worked for 0-2 years, majority 20(40%) of them have worked in St. Balikuddembe market for a period 10-20 years, 5(10%) of them have worked for a period above 20 years, 15(30%) of the respondents had served for a period of 6-10 years. This means that most of respondents had stayed for long period in St. Balikuddembe market.

Type of business respondents deals in

The study also further sought to ascertain the type of business the respondent were dealing in St. Balikuddembe market and results obtained are summarized in table 4.4.

Table 4.4 Type of business respondents deals in

Type of business	Frequency	Percentage (%)
Restaurant, food stuff, and fruits	2	4
Shoes and bags	13	26
Tailoring, clothes and bed sheets	17	34
Vegetables	3	6
Electronics and repairs	2	4
Maize milling	13	26
Total	50	100

Source: Primary Data, 2022

Table 4.4 above shows the type of business respondents were dealing in St. Balikuddembe market. Results obtained show that 2(4%) of them were dealing in Restaurant, food stuff, and fruits, 13(26%) of the respondents were dealing shoes and bags, 17(34%) were dealing in Tailoring, clothes and bed sheets, 3(6%) were selling vegetables, 2(4%) were selling electronics and repairs and lastly 13(26%) were dealing in maize milling. This means that most the businesses in St. Balikuddembe market were covered which makes the findings to be relied on.

4.2 Different local taxes imposed on women entrepreneurs in St. Balikuddembe market

This section provides information on the different local taxes imposed on women entrepreneurs in St. Balikuddembe market and the results are summarized in table 4.5 below;

Table 4.5 Different local taxes imposed on women entrepreneurs in St. Balikuddembe market

Statement	Strongly agree	Agree	Not Sure	Disagree	Strongly disagree	Total
Women entrepreneurs pay direct taxes like “empooza” among others	35(70%)	12(24%)	-	3(6%)	-	50(100%)

Withholding tax is charged on women entrepreneurs in the market	12(24%)	5(10%)	3(6%)	20(40%)	10(20%)	50(100%)
Women entrepreneurs operating in Owino market pay Pay As You Earn (PAYE)	33(66%)	15(30%)	-	2(4%)	-	50(100%)
Personal income tax is charged on Women entrepreneurs operating in Owino market	45(90%)	2(4%)	-	-	3(6%)	50(100%)
Women entrepreneurs operating in owino market pay business income tax	35(70%)	12(24%)	-	3(6%)	-	50(100%)
Women entrepreneurs operating in owino market pay value added tax	14(28%)	30(60%)	2(4%)	4(8%)	-	50(100%)

Source; Primary Data, 2022

It was established in table 4.5 that majority of the respondents 35(70%) strongly agreed that Women entrepreneurs pay direct taxes like “empooza” among others, 12(24%) agreed and 3(6%) of the respondents disagreed, this implies that Women entrepreneurs pay direct taxes like “empooza” among others. Results obtained imply that almost all respondents agreed; this implied that Women entrepreneurs pay direct taxes like “empooza” among others

It was established in table 4.5 that 12(24%) of the total respondents strongly agreed that Withholding tax is charged on women entrepreneurs in the market, 5(10%) of the total respondents agreed, 3(6%) of the total respondents were not sure, 20(40%) of the total respondents disagreed, 10(20%) of the total respondents strongly disagreed. This implies that Withholding tax is charged on women entrepreneurs in the market. Results obtained imply that most of the respondents disagreed; this implied that Withholding tax is charged on women entrepreneurs in the market.

It was established in table 4.5 that 33(66%) of the total respondents strongly agreed that Women entrepreneurs operating in Owino market pay Pay as You Earn (PAYE), 15(30%) of the total respondents agreed, 2(4%) of the total respondents disagreed. Results obtained imply that almost all respondents agreed; this implied that Women entrepreneurs operating in Owino market pay Pay as You Earn (PAYE).

It was established in table 4.5 that 45(90%) of the total respondents strongly agreed that Personal income tax is charged on Women entrepreneurs operating in Owino market, 2(4%) of the total respondents agreed, 3(6%) of the total respondents strongly disagreed. Results obtained imply that almost all respondents agreed; this implied that Personal income tax is charged on Women entrepreneurs operating in Owino market.

It was established in table 4.5 that 35(70%) of the total respondents strongly agreed that Women entrepreneurs operating in Owino market pay business income tax, 12(24%) of the total respondents agreed, 2(4%) of the total respondents were not sure, 3(6%) of the total respondents disagreed, Results obtained imply that almost all respondents agreed; this implied that Women entrepreneurs operating in Owino market pay business income tax.

4.3 Challenges faced by women entrepreneurs in undertaking small business enterprises in St. Balikuddembe Market

This section provides information on the challenges faced by women entrepreneurs in undertaking small business enterprises in St. Balikuddembe Market and the results are summarized in table 4.6 below;

Table 4.6 Challenges faced by women entrepreneurs in undertaking small business enterprises in St. Balikuddembe Market.

Statement	Strongly agree	Agree	Not Sure	Disagree	Strongly disagree	Total
Women traders in Owino market usually suffer from insufficient funds	45(90%)	5(10%)	-	-	-	50(100%)
Women entrepreneurs in small business are not aware and equipped on the usage of book keeping of their business transaction	15(30%)	35(70%)	-	-	-	50(100%)
Most traders in Owino market are illiterate which hinders them from getting financial support from providers of funds particularly banks.	16(32%)	28(56%)	4(8%)	2(4%)	-	50(100%)
Most women entrepreneurs are deprived from the institutional support because of lack of awareness	14(28%)	33(66%)	3(6%)	-	-	50(100%)
Family matters are considered as one of the challenging factors toward	35(70%)	12(24%)	-	3(6%)	-	50(100%)

the development of women entrepreneurship						
Women face problems in collecting funds for their business.	14(28%)	30(60%)	2(4%)	4(8%)	-	50(100%)

Source; Primary Data 2022

It was established in table 4.6 that 45(90%) of the total respondents strongly agreed that Women traders in Owino market usually suffer from insufficient funds, 5(10%) of the total respondents agreed, Results obtained imply that all respondents agreed; this implied that Women traders in Owino market usually suffer from insufficient funds

It was established in table 4.6 that 15(30%) of the total respondents strongly agreed that Women entrepreneurs in small business are not aware and equipped on the usage of book keeping of their business transaction, 35(70%) of the total respondents agreed, Results obtained imply that all respondents agreed; this implied that Women entrepreneurs in small business are not aware and equipped on the usage of book keeping of their business transaction

It was established in table 4.6 that 16(32%) of the total respondents strongly agreed that Most traders in Owino market are illiterate which hinders them from getting financial support from providers of funds particularly banks 28(56%) of the total respondents agreed, 4(8%) of the total respondents were not sure, 2(4%) of the total respondents disagreed, Results obtained imply that all respondents agreed; this implied that Most traders in Owino market are illiterate which hinders them from getting financial support from providers of funds particularly banks.

It was established in table 4.6 that 14(28%) of the total respondents strongly agreed that Most women entrepreneurs are deprived from the institutional support because of lack of awareness, 33(66%) of the total respondents agreed, 3(6%) of the total respondents were not sure. Results obtained imply that all respondents agreed; this implied that most women entrepreneurs are deprived from the institutional support because of lack of awareness

It was established in table 4.6 that 35(70%) of the total respondents strongly agreed that Family matters are considered as one of the challenging factors toward the development of women entrepreneurship, 12(24%) of the total respondents agreed, 3(6%) of the total respondents disagreed. Results obtained imply that all respondents agreed; this implied that Family matters are considered as one of the challenging factors toward the development of women entrepreneurship

It was established in table 4.6 that 14(28%) of the total respondents strongly agreed that Women face problems in collecting funds for their business, 30(60%) of the total respondents agreed, 2(4%) of the total respondents were not sure, 4(8%) disagreed. Results obtained imply that all respondents agreed; this implied that Women face problems in collecting funds for their business.

4.4 Possible solutions to overcome challenges faced by small business enterprises owned by women entrepreneurs in St. Balikuddembe market.

This section provides information on the possible solutions to overcome challenges faced by small business enterprises owned by women entrepreneurs in St. Balikuddembe market and the results are summarized in table 4.7 below;

Table 4.7 Possible solutions to overcome challenges faced by small business enterprises owned by women entrepreneurs in St. Balikuddembe market.

Statement	Strongly agree	Agree	Not Sure	Disagree	Strongly disagree	Total
Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives.	16(32%)	28(56%)	2(4%)	4(8%)	-	50(100%)
Provision of financial literacy by financial players to women entrepreneurs should be encouraged	1(2%)	10(20%)	18(36%)	10(20%)	11(22%)	50(100%)
Women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis.	18(36%)	30(60%)	2(4%)	-	-	50(100%)
Women entrepreneurs should be provided finance at concessional rate of interests and on easy repayment basis.	16(32%)	28(56%)	4(8%)	2(4%)	-	50(100%)

Source; Primary Data, 2022

It was established in table 4.7 that 16(32%) of the total respondents strongly agreed that Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives, 28(56%) of the total respondents agreed, 2(4%) of the total respondents were not sure, 4(8%) of the total respondents disagreed, Results obtained imply that all respondents agreed; this implied that Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives.

It was established in table 4.7 that 1(2%) of the total respondents strongly agreed that provision of financial literacy by financial players to women entrepreneurs should be encouraged , 10(20%) of the total respondents agreed, 18(36%) of the total respondents were not sure, 10(20%) of the total respondents disagreed, 11(22%) of the total respondents strongly disagreed, Results obtained imply that all respondents agreed; this. implied that provision of financial literacy by financial players to women entrepreneurs should be encouraged

It was established in table 4.7 that 18(36%) of the total respondents strongly agreed that Women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis, 30(60%) of the total respondents agreed, 2(4%) of the total respondents were not sure, Results obtained imply that all respondents agreed; this implied that Women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis.

It was established in table 4.7 that 16(32%) of the total respondents strongly agreed that Women entrepreneurs should be provided finance at concessional rate of interests and on easy repayment basis, 28(56%) of the total respondents agreed, Results obtained imply that all respondents agreed; this implied that Women entrepreneurs should be provided finance at concessional rate of interests and on easy repayment basis

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of findings

From the study findings, It was established that majority of the respondents agreed that Women entrepreneurs pay direct taxes like “empooza” among others. Furthermore, respondents strongly agreed that Withholding tax is charged on women entrepreneurs in the market. From the study findings, It was established that majority of respondents strongly agreed that Women entrepreneurs operating in Owino market pay Pay as You Earn (PAYE), Majority of the respondents strongly agreed that Personal income tax is charged on Women entrepreneurs operating in Owino market. Still, Most of the respondents strongly agreed that Women entrepreneurs operating in Owino market pay business income tax,

From the study, women entrepreneurs in small businesses in owino market face a lot of challenges and It was established in table 4.6 that 45(90%) of the respondents strongly agreed that Women traders in Owino market usually suffer from insufficient funds, Majority of the respondents strongly agreed that Women entrepreneurs in small business are not aware and equipped on the usage of book keeping of their business transaction.

It was established that 16(32%) of the total respondents strongly agreed that Most traders in Owino market are illiterate which hinders them from getting financial support from providers of funds particularly banks, It was established in table 4.6 that respondents agreed that Most women entrepreneurs are deprived from the institutional support because of lack of awareness, It was established that respondents agreed that Family matters are considered as one of the challenging factors toward the development of women entrepreneurship. It was established in table 4.6 that respondents agreed that Women face problems in collecting funds for their business.

It was also established that respondents agreed that Proper encouragement and assistance should be provided to women entrepreneurs for setting up marketing co-operatives, It was established that 1(2%) of the total respondents strongly agreed that provision of financial literacy by financial players to women entrepreneurs should be encouraged, It was established in table 4.7 that 18(36%) of the total respondents strongly agreed that Women entrepreneurs should be ensured of proper supply of scarce raw materials on priority basis, It was established that 16(32%) of the total respondents strongly agreed that Women entrepreneurs should be provided finance at concessional rate of interests and on easy repayment basis.

5.2 Conclusion

It is concluded that there are many local service taxes that are imposed on women entrepreneurs in small businesses both direct and indirect such as empooza, value added tax, withholding tax, personal income among other and basing on findings these taxes are reducing profits of traders and hence they are hindering the growth of women entrepreneurs in St. Balikuddembe market.

Entrepreneurship is imperative for small business enterprises. There is no doubt that women entrepreneur through small business enterprises contribute tremendously to Uganda's development. This implies failure to create an entrepreneurial environment may mean an economic penalty. Thus, it is necessary for the government to provide support to women entrepreneurs in order to succeed in their respective endeavors. Evidence from this study suggests that increasing entrepreneurial performance creates the majority of the women business startups. It can be concluded that entrepreneurship capital, entrepreneurial knowledge and capacity has positive relationship with the entrepreneurial performance among women.

5.3 Recommendations

It is recommended that the government should provide tax holiday of at least 5 years to local women entrepreneurs who operate small businesses, this will help them to grow their businesses and reduce on the rate of business failure and closure.

The study recommends that, government should provide more short term loans to meet emergencies of women entrepreneurs in Small businesses provide insurance on loans and also provide no interest on the savings of small businesses. The value of the loan should also be adequate enough to meet the capital requirements of the Small Businesses.

The study further recommends that, microfinance institutions should assist Small Businesses to assess their small businesses so that they attest whether their businesses are growing or not this will lure them to become permanent members and also advice other small businesses to partner with microfinance institutions to grow their businesses.

It is also recommended that, operators of microfinance institutions should have separate managers/business advisors to small businesses, to give the proper business advice as how to manage their businesses, the need to separate their business funds from personal money, proper ways of pricing and marketing of products, goods and services.

5.4 Suggestion for Future Research

- Sources of local revenue taxes and growth of small businesses
- Impacts of local revenue collection on service delivery,
- Local Government expenditure and efficiency levels of administrators.

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