Abstract

The essence of this research was to determine the major constraints that influence the development of Micro and Small Enterprises in Mwiki Kasarani. During the past two decades a lot of attention has been drawn to the important role that MSEs play in employment creation. The government and other key players have taken positive steps to create an enabling environment to support the creation and existence of MSEs. However the growth and development of this sector has stagnated. Many entrepreneurs fail for reasons unrelated to the underlying viability of the business, but instead for reasons such as the inability to manage cash flow and lack of skills. The purpose of this study was to determine the constraints facing the micro and small enterprises in Mwiki. The literature review looked at the existing constraints, which inhibit the operations of MSEs and some of the positive measures that have been instituted by key players. The study used descriptive survey and simple random sampling to create an appropriate sample. Data was collected using questionnaires, interviews and through observation and then analysed using descriptive statistics. The study found out that the major constraints and the causes of the constraints facing MSEs in Mwiki were due to lack of training in basic business skills, inaccessibility to information and appropriate technology, cumbersome compliance procedures and regulations, high taxation, insecurity, unwillingness to take financial risk and inaccessibility to credit facilities, high cost of electricity and frequent blackouts. The study concluded that the MSEs in Mwiki require support services as identified by the study to overcome these constraints. Therefore a concerted effort between the local community of entrepreneurs, policy makers and NGOs is recommended to facilitate growth and better business performance.