GOVERNMENT ENTREPRENEURIAL INTERVENTIONS AND GROWTH OF YOUTH-OWNED MICRO AND SMALL ENTERPRISES IN KIGALI, RWANDA

BY

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DECLARATION

This thesis is my original work and has not been presented at any other university. No part of this thesis should be reproduced without the authority of the author and/or Kenyatta University.

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DEDICATION

This thesis is intended to be a tribute to my parents, M. Nkusi Yolanda and Straton Gasigwa. They showed me unconditional love. Their support for my academic endeavors, the insightful advice they provided, and their work ethic and dedication gave me motivation for making a determined effort and accomplish my goals. May the blessings of the All-Powerful Lord be upon my parents.

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DEFINITION OF TERMS

Credit Accessibility	Indicates the capability of an individual or the proprietor of a firm to obtain financial facilities.
Enterprise	Indicates an organization created by one, or more individuals to make profits and provide young people with employment possibilities and strengthen the economy of the country.
Enterprise Growth	Implies that the firm can continue operating its commercial endeavors and remain profitable through an increase in sales, profits, and others. This study measured the growth of enterprises using annual profits and changes in the number of employees.
Entrepreneur	Indicates an individual who decides to take risks that would be converted into profits by exploiting opportunities that other individuals have not seen.
Entrepreneurial Training	Indicates an activity of teaching people knowledge on the subject of how to achieve enterprise growth from beginning to steady state. In the context of this study, it means to instruct youth-owned MSEs in skills relating to enterprise management.
Government Entrepreneurial Interventions	Indicates programs or policies used to regulate and motivate chosen business activities as well as aimed at improving business conditions for which Micro and Small Enterprises operate their undertakings. This study measured these interventions using training regarding entrepreneurship, credit accessibility, online social media, and market accessibility

Individual Characteristics	Refers to the actions of an individual who is inclined to undertake novel activities. and convert conceivable concepts into valuable possessions.
Market Accessibility	Indicates the possibility of a person or enterprise's owner accessing market opportunities and services.
Micro Enterprise	Refers to a business that runs its economic activity and hires between 1 and 3 workers, whose total amount of money invested in the business is below FRW 5 million and whose income per year is less than FRW 3 million in Rwanda.
Online social Media Adaption	Indicates the acceptance of web-based internet services that help a person or enterprise to construct a highly communicative platform through which a person or enterprise can promote their products. For instance: Facebook, Twitter, WhatsApp, and others.
Small Enterprise	Refers to a business that operates its economic activity and hires between 4 and 30 workers, whose total amount of money invested in is business between RWF 5 million - 15 million and income per year of FRW 3 million−12 million in Rwanda.
Youth	Refers to persons aged 18-35 years who are still physically and mentally active. In this study, youths are considered as persons who have a starring involvement in their progress as well as their communities.
Youth-owned MSEs	Indicates persons who are between 18 and 35 years old and who own a business organization employing between 1 and 30 workers.

ABBREVIATIONS AND ACRONYMS

BDF	Business Development Fund
EAC:	East African Community
GDP:	Gross Domestic Product
GoR:	Government of Rwanda
IUCEA	Inter-University Council East Africa
KFW	German Development Bank
KU:	Kenyatta University
MINECOFIN:	Ministry of Economic and Finance
MINECOM:	Ministry of Commerce and Industry
MSEs:	Micro and Small Enterprises
RWF:	Rwandan francs
SMEs	Small and Medium Enterprises
SPSS:	Statistical Package for Social Science
VIF:	Variance Inflation Factor

ABSTRACT

Micro and small enterprises are approved as economic engines that contribute towards the economic development of Rwanda and then help people improve their livelihoods in line with Rwanda's vision of 2050. The micro and small enterprise sector provides jobs for not only the young but all categories of people, as well as overwhelming macroeconomic issues of unemployment, income inequality, and poverty. Even considering their contribution to economic development, youth-owned micro and small enterprises are facing issues of intense competition from well-established larger firms, the need to adapt to rapidly changing customer preferences, insufficient entrepreneurial skills, a lack of financial resources, and multinational corporations that impede their growth. The study, therefore, investigated the influence of entrepreneurial interventions provided by the state on the growth of micro and small enterprises owned by youth in Kigali, Rwanda. The specific objectives of the research were to determine the influence of training regarding entrepreneurship, credit accessibility, online social media, and market accessibility on the growth of micro and small firms. The theory of the resource-based view is the main theory of the research and is supported by the theory of technology adoption, Gibb's MSE support theory, and firm growth theory. The explanatory and descriptive research designs were employed in determining the association between entrepreneurial interventions provided by the government and the growth of youth-owned micro and small enterprises, as well as to demonstrate the association between dependent and independent variables. Approximately 154 micro and small enterprises were sampled from 252 of the population; the respondents' selection was made using stratified random sampling techniques, and the respondents should be operating micro and small enterprises for the period of the study. Primary data were gathered using a method of semi-structured form, and a pilot study was conducted in the Gasabo district with 20 micro and small enterprises owned by the youth. To demonstrate the degree of reliability, Cronbach Alpha coefficients were used and validity was tested by the use of expert opinions. Inferential statistics were used to examine the role of entrepreneurial interventions supplied by the government in the growth of micro and small enterprises, whereas descriptive statistics were employed to calculate means and standard deviations. The results from the scrutinized data are demonstrated using tables, graphs, and other tools. The study indicated that youth-owned micro and small enterprises had grown more rapidly as a result of interventions offered by the government in Kigali, Rwanda. The study also found that personal characteristics yielded a beneficial moderating influence on the link between entrepreneurial interventions supplied by the government and the expansion of micro and small enterprises owned by youths in Kigali, Rwanda. The study proposes that the government should launch efficient and robust entrepreneurial interventions and program implementations for the expansion of micro and small firms. The study recommends that all micro and small enterprises should utilize technology-based online social media as a superior instrument for managing client relations for online businesses.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Micro and small enterprises are drivers of economic development around the world (World Bank, 2014). The MSE sector is critical for reducing macroeconomic problems like poverty, income inequality, and unemployment (Muathe, 2010; Tundui & Tundui, 2013). As a result, several states have recognized the significance of MSEs and implemented various supportive policies to stimulate their growth through profitability and job creation, which contribute to overall economic growth (Tekele, 2019).

The World Bank (2014) stated that the level of entrepreneurial interventions provided by the governments in this MSE sector affected the growth of firms and that the interventions were essential to increasing the size and output of the MSEs. Muathe and Muraguri (2020) indicated that the availability of resources serves as an engine for business growth. Accordingly, MSEs account for around 78% of all profitable businesses engaged in economic activities. According to Khan and Khalique (2014), MSEs provide 20% of the global GDP and employ 35% of all workers globally. Furthermore, microbusinesses employ 1 to 9 individuals worldwide, and small businesses employ 10 to 49 workers.

In developed countries like Malaysia, MSEs generate 50% of GDP (Byrnes *et al.,* 2015). These MSEs hire 65.1% of all employees. According to UNCTAD (2016), Singapore's MSEs employ approximately 62% of total workers and contribute 47% of GDP. Their contribution to GDP and job creation prompted governments to support MSEs (Byrnes *et al.* 2015). This includes financial resources, infrastructure, training programs, and a favorable business environment. The government's interventions to support MSEs were designed to help them reach their full

growth potential and improve their competitiveness in both domestic and global markets (Muathe, 2010).

In underdeveloped nations, micro and small enterprises provide income and jobs (Jibrilla, 2013). The MSE sector employs a sizable portion of the workforce, notably in rural and urban areas. The International Labour Organization (2015) revealed that MSEs make up 90% of all businesses in the African territory south of the Sahara Desert. and employ a share of the labor force. MSEs account for around 24% of the EAC's GDP, and therefore, MSEs have a starring role in improving enormous economic value (Jirabi, 2017). Several studies have found that MSEs have a role in boosting EAC economic expansion as well as poverty reduction and employment formation.

In the specific context of Rwanda, MSEs are the accelerators of Vision 2050 (World Bank, 2014). MSEs significantly impacted national development by increasing state income and opening new employment opportunities (Okello, 2014). MSEs accounted for around 41% of Rwanda's GDP in 2016 (Uwitonze, 2016). The studies indicated that MSEs have a significant economic influence on stimulating economic growth. Their economic contributions prompted the Rwandan government to come up with strategies and programs that facilitate MSEs' easy access to software and hardware resources such as intellectual capabilities and tangible resources, for instance, lands, buildings, machines, equipment, and technological infrastructure, which facilitate interaction between firms and their customers (Aidara *et al.*, 2021).

Despite the government's efforts to support MSEs, the enterprises' growth remains unsatisfactory (Uwitonze, 2018). MSEs have been reported to be facing several issues. These challenges include fierce competition from well-established larger firms, the need for adaptability to rapidly changing customer preferences, and multinational corporations that

hinder their growth, which hinders business growth. Other obstacles were technological advancement and market saturation. One strategy for overcoming these challenges is to implement effective entrepreneurial interventions that positively stimulate firm growth by ensuring access to essential resources (Jibrilla, 2013; Simiyu, 2018), where these accessibilities can lead to more opportunities for enterprise growth.

Muathe (2010) indicated that government entrepreneurial interventions should be well structured in a manner that facilitates MSEs' acquisition of resources for output expansion. According to Mashapure *et al*. (2022), government entrepreneurial interventions provided to MSEs must also be satisfactory from the viewpoint of their nature, scope, and quality. For example, policymakers should include high-quality training, enough loans, technology to be used in daily operational activities, and sufficient competence to seize market opportunities. As a result, adding these quality features to entrepreneurial interventions can provide MSEs with the critical support to overcome obstacles, realize their full growth potential, and significantly contribute to economic growth and job creation (Hessels & Stel, 2011; Niyonsaba *et al.,* 2022).

The interplay between government interventions and MSE growth is a dynamic relationship that influences each other (Olawe & Garwe, 2010). The interventions enable MSEs to realize their growth objectives by facilitating their acquisition of skills and capital, expanding into new markets, and using innovative technology. Accordingly, the growth of MSEs validates the effectiveness and importance of these interventions, where successful MSEs contribute to job creation, income generation, and uplifting national taxes (Olayemi, 2015). According to Njuguna (2015), the interdependence of government entrepreneurial interventions and MSE growth creates a symbiotic relationship in which interventions facilitate growth and successful

MSEs validate the importance of these interventions, creating a supportive ecosystem for entrepreneurship and economic growth.

1.1.1 Growth of Micro and Small Enterprises

Ugwuoju *et al.* (2020) averred that MSE growth is the expansion of business enterprises concerning size market share, and profitability, among other factors. Researchers used a range of metrics to assess how organizations expanded. For instance, Kar and Ahmed (2019) employed non-financial and financial metrics to quantify the growth of a firm, including profitability, market share growth, job opportunities, productivity, and competitiveness. Dotson and Allenby (2010) looked into how firms grow by using financial indicators, including rising sales, improved profitability, and growing market share. The study also took into account non-financial aspects like customer loyalty and employee satisfaction. The studies revealed that expansion of operations, product or service diversification, and increased operational effectiveness are required for MSEs to have long-term growth.

Wu and Yeung (2012) asserted that businesses that carry out their business activities can use two primary indicators to gauge their financial status. The firm growth indicators were grouped using financial and non-financial macro-categories. Financial metrics, such as return on capital employed, profitability, and investment return, among others, are effective indicators of firm growth that MSEs can use to gauge their growth (Duchesneau & Gartner 1990), whereas non-monetary approach can be utilized to gauge the growth of firms through the extent of employees and market share. Abera (2012) advised MSE owners to use the hybrid hypothesis, which includes non-financial and financial approaches and leads to advanced scores for MSEs. The MSEs can overcome problems related to employee turnover and market share growth, among others, using the hybrid technique.

Moreover, the mixture approach should be accompanied by a timeline approach. Since it establishes the length of the period, specifically long- or short-term periods. A short-run period is good in terms of evaluating the financial position of enterprises within three hundred sixty-five days (Birley & Westhead, 1990). Long-run periods are mainly non-financial measures for measuring whether enterprises would last for more than three hundred sixty-five days. Short-run financial measures are used to quantify profitability and reflect the present growth of the company, but they are unable to predict the sustainability of the firm over extended periods (Barney, 1997). Yet, long-term non-financial metrics such as employee numbers and market share can forecast the continued sustainability of the business entity (Haber & Reichel, 2005).

The increase in employees and the size of the annual profit are key indicators of the growth of MSEs (Duchesneau & Gartner, 1990). The increase in employees shows the enterprise's ability to expand its operations and generate employment opportunities, contributing to economic development. The size of the annual profit reflects the enterprise's financial growth (Tudose, 2012). Profit growth indicates the enterprise's ability to generate revenue that exceeds expenses, demonstrating effective cost management, market competitiveness, and operational efficiency. Both indicators collectively provide valuable insights into the growth of MSEs in terms of their economic impact and financial well-being. (Waheed *et al.*, 2018).

Therefore, this study used the increase in employees and the size of profit per year as key indicators of the growth of MSEs due to their direct relevance to and influence on the enterprise's overall growth (Haber & Reichel, 2005). The increase in employees serves as a tangible measure of the MSEs' capacity to expand their operations, create job opportunities, and contribute to national development. The increase in employees reflects the MSEs' ability to handle growing demands and improve productivity. Similarly, the size of profit per year is a crucial financial indicator that shows the MSEs' financial growth, market competitiveness,

and long-term viability. Annual profit proves the MSEs' ability to generate revenue that exceeds expenses and maximizes returns (Maffioli *et al.,* 2017).

1.1.2 Government Entrepreneurial Interventions

According to Johnson and Borenzweig (2009), government entrepreneurial interventions refer to the deliberate actions and initiatives taken to support and promote the growth of MSEs. The interventions encompass a range of policies and programs aimed at providing resources and support services for MSEs and their business growth. Government interventions are seen as undertakings used to support a group of individuals or enterprises regarding social and economic matters (Smith, 1776). Government entrepreneurial interventions are policies structured to address the issues faced by the business sector, specifically MSEs (Milgo, 2014). The studies proved that government entrepreneurial interventions are crucial for MSEs since the government supports MSEs by covering the financial and technical expenses that these enterprises cannot manage independently, thus bolstering their capabilities. (Ugwuoju et al., 2020).

Government entrepreneurial interventions were defined by Lerner and Schoar (2010) as state interventions designed to promote the expansion of small enterprises. The authors emphasized the critical relevance of the government providing non-financial support, such as networking opportunities, market access, and training, in addition to financial aid through loans and grants. These steps are intended to lessen growth-related challenges. To remove obstacles faced by MSEs, strengthen the entrepreneurial skills of youth-led MSEs, and promote company growth, government interventions should cover a wide range of financial and non-financial efforts (Milgo, 2014).

Lerner and Schoar (2010) characterized government entrepreneurial interventions as state programs aimed at encouraging the growth of small businesses. Financial and non-financial

interventions provided by the state, such as networking opportunities, accessibility of market, and training, were stressed by the authors. Loans and grants are both types of financial aid. The challenges associated with MSEs' expansion are to be lessened by these steps. Milgo (2014) noted that government interventions must involve several financial and non-financial funds to reduce barriers faced by MSEs, improve the entrepreneurial abilities of youth-owned MSEs, and foster business growth.

Entrepreneurial training has been approved as a primary government intervention that improves MSEs' entrepreneurial ability by providing them with the resources necessary to exploit growth opportunities (Niyonsaba *et al.*, 2022). Entrepreneurial training includes indicators such as the number of training programs offered, the participation rates of youth-owned MSEs in these programs, and the effectiveness of training in improving business growth. Acs and Szerb (2007) stated that training programs were designed to deliver the abilities necessary to effectively run and grow MSEs. Thus, government-provided entrepreneurial training programs must cover a wide range of topics, including company planning, financial management, marketing strategies, operations management, and other related areas (Storey, 2011).

Credit availability is an essential component of government interventions aimed at addressing enterprises' financing issues (Berger & Udell, 1998). Credit availability enabled MSEs to secure funds for business growth, technology investments, marketing, and working capital. This access allows MSEs to seize growth opportunities, invest in infrastructure, hire employees, and undertake research and development activities (Beck & Demirgüç-Kunt, 2006). Furthermore, government interventions frequently offered favorable terms, including reduced interest rates, longer payback periods, and flexible collateral requirements, making loans more accessible and inexpensive for MSEs. This intervention covered the financing gap, particularly for MSEs from disadvantaged backgrounds or in high-risk sectors.

Technology, especially online social media, is crucial for promoting business growth (DeReuver *et al.*, 2010). Therefore, various governments provide training to MSEs on effectively using social media for marketing and customer retention. This technological integration has enabled MSEs to achieve growth by increasing their competition in the digital world, reaching a larger clientele, getting feedback, and increasing brand awareness (Papasolomou & Melanthiou, 2012). Online social media has a significant role in improving business growth, whereas online social media helps youth-owned MSEs improve decisions based on customer reactions. Scholars argue that business growth is linked to online social media, as it helps enterprises reflect on customer needs and build relationships with customers (Kasi, 2018).

Market accessibility has been noted as a government intervention that can raise the firm's growth by generating a lot of sales (Hessels & van Stel, 2011). There are many strategies to promote market access, including public procurement contracts for MSEs, organizing trade fairs, exhibitions, and buyer-seller meetings, and facilitating networking events (Goedhuys & Sleuwaegen, 2010). These efforts foster partnerships and knowledge sharing, enhancing market access and opening new business opportunities (Dotson & Allenby, 2010). Government efforts to increase market access reduced barriers, created opportunities, and enabled enterprises to expand their customer bases and compete in both the domestic and global markets (Autio *et al.*, 2000). However, a lack of market access could hinder growth as MSEs struggle to access the necessary information for market opportunities (Garcia *et al.*, 2022).

1.1.3 Individual Characteristics

Individuals' roles in a business enterprise can be better understood by taking into consideration their psychological, sociological, and demographic features, which can either help them or prevent them from being successful enterprises (Shane, 2003). Wang and Ahmed (2007)

expounded on how knowledge and experience impact organizational success from the perspective of innovation. The studies found that holders of higher education and those with more work experience are more prone to identify opportunities and propose creative ideas, which gives them a competitive advantage and promotes business growth.

Bruton *et al.* (2009) scrutinized the effect of education on the speed of innovation adoption and the integration of technology into businesses. According to their study, knowledgeable business owners are more inclined to embrace new technologies, successfully implement innovations, and improve operational efficiency, all of which promote firm growth by boosting adaptability and market competitiveness. High levels of education would also enable MSEs to operate more regularly, which might enable them to prosper and achieve their commercial objectives (Starsia, 2010). The ability of business owners to manage financial resources effectively depends on the level of their education.

According to Shane (2003), the growth of MSEs and education are normally related. Education is crucial in imparting knowledge, skills, and critical thinking abilities to aspiring MSEs and allowing them to make better business decisions. General education supports a variety of broader abilities, including critical thinking, communication, and problem-solving. Gartner (1985) investigated how education affected the uptake of innovation and the integration of technology within businesses. According to their research, educated business owners are more likely to adopt new technologies, execute innovations successfully, and improve operational efficiency, which promotes firm growth by boosting adaptability and market competitiveness.

Dokko *et al.* (2009) affirmed that prior job experience has an impact on an organization's growth. According to Baron and Ensley (2006), enterprises with more years of experience grow faster. Prior employment experience, especially in the same sector or with micro- to small firms, improves MSE owners' abilities and broadens social networks (Hampel-Milagrosa,

2014). Prior experience can be acquired through employment and internships, and it gives essential understanding to youth-owned MSEs by allowing them to make better decisions (Wiklund & Shepherd, 2005). This experience allows MSE owners to learn from previous successes and failures and acquire problem-solving abilities, (Baum & Locke, 2004).

Innovation is a significant feature of individual characteristics that promote the expansion of MSEs. An enterprise's capabilities, client retention, and market expansion are mostly driven by innovation. An enterprise can gain a competitive advantage and meet changing client needs by creating distinctive and differentiating services (Goedhuys & Veugelers, 2012). According to Eesley and Wang (2017), this innovation not only draws in new customers but also encourages brand loyalty due to ongoing innovation. Innovation is also a catalyst for business growth since it enables organizations to tap into untapped markets and exploit untapped possibilities (Lee *et al.,* 2019).

Innovation adds value to a business by introducing new goods, services, and operating methods (Sha *et al.,* 2005). Schumpeter (1947) considered disruptive innovation as creative destruction, which encompasses inventiveness, distinctive behaviors, R&D expenditures, and technological advancements. According to Saunila (2014), innovation is crucial for a business's competitive edge and financial success since it produces unique concepts, procedures, products, or services. The first-mover advantage may support profitable expansion for creative firms (Franco *et al.,* 2017). Innovative businesspeople could get the first-mover advantage and raise profitability (Franco *et al.,* 2017). The significance of MSEs in the creation of novel goods and technology has been acknowledged by different researchers (Hilmersson, 2014).

1.4 Youth-Owned Micro and Small Enterprises

The World Bank reported that youth are those aged eighteen to thirty-five. In Rwanda, young people are described as those aged eighteen to thirty-five who can contribute significantly to

national development. Recent studies showed that 78 percent of Rwanda's overall population is under the age of 35, with 63 percent of them working (Shelus, *et al.,* 2018). However, 14% of the youth are unemployed; only 15% can access employment provided by public and private organizations, while the majority 71% create their jobs (Uwitonze, 2018).

Therefore, the regime is committed to helping young people create more jobs by facilitating the availability of material and intangible resources for business startups and growth (Mpakaniye, 2018). Similarly, credits to youth-owned MSEs increased from Rwf 49.2 billion to Rwf 10,191 billion between 2011 and 2019 (Gardner *et al.*, 2019). Training centers have been established throughout Rwanda, according to Blimpo and Pugatch (2021), with the expectation that following training, young people would be able to build their enterprises and recruit companions.

Despite the country's efforts to improve its educational system and promote economic growth, a significant portion of the youth population continues to struggle with limited access to vocational training, which hinders their chances of developing the necessary skills and reduces their growth (Mpakaniye, 2017). Inadequate access to funding and financial resources is a significant hurdle, limiting their ability to invest in business expansion and technological advancements (Mahrinasari *et al.*, 2021). Furthermore, larger companies' market dominance raises entry hurdles and diminishes the market share available to youth-owned MSEs. These challenges hamper the expansion of MSE-owned by youth, and, therefore, there would be effective interventions to solve business growth issues.

In line with Rwanda Vision 2050, the government has worked to strengthen youth-owned MSEs so that they can become key players in the country's future economy (Makaniye, 2017). To achieve the nation's goal of industrialization by 2050, the government encouraged and promoted youth-owned MSEs' engagement in creating new job possibilities in the country. The

Rwandan government has started establishing a legal and administrative framework to direct and support the growth of MSEs owned by young people. The MSE Policy framework in Rwanda is outlined in the official gazette (GOR, 2010), which serves as the foundation for carrying out the MSE Act and implementing the MSE Policy. The goal of this act is to educate people about enterprise management.

The government has introduced young enterprise development grants to help with policy implementation and the growth of the MSE sector. These programs were intended to boost R&D activities, create job possibilities for young people, broaden the market for MSE products, strengthen the sector's capacity to satisfy market demands and boost MSE's overall growth (Mpakaniye, 2017). Given their importance as a fundamental component of Rwanda Vision 2050 and a major source of employment in both Rwanda and Kigali, youth-owned MSEs ought to be essential to the nation's progress and expansion. The current study was intended to ascertain how youth-owned MSEs contribute to the growth of the sector.

1.2 Statement Problem

Despite making significant progress toward achieving Rwanda's vision for 2050 by generating more job prospects and contributing to the country's GDP, as well as reducing poverty, income inequality, and unemployment in society (Donner & Escobari, 2009; World Bank, 2014), MSEs were experiencing slow growth (Rwamigabo, 2019). As per the survey conducted by MINICOM in 2016, 64% of the MSEs reported that they were either categorized as in trouble or struggling (Uwitonze, 2016).

According to Umutoni (2018), the growth challenges of MSEs in Rwanda are due to the fierce competition from well-established larger firms, the need for adaptability to rapidly changing customer preferences, and multinational corporations that hinder their growth. According to Rwamigabo (2019), the sector's expansion is hampered by restricted access to financial

resources and continual technological advancements. To maintain its starring role in national development, effective interventions could be improved to enhance MSEs' growth (Mutandwa *et al.,* 2015). Effective entrepreneurial interventions are a key technique that the government could employ to shrink the issues connected with MSEs' growth (Twesige *et al.,* 2021).

Government entrepreneurial interventions are seen as effective instruments for boosting firm growth since they enable MSEs to acquire the resources required for business operations (Jibrilla, 2013; Simiyu, 2018). To address these challenges (Mersha & Sriram, 2019), proposed the implementation of strong interventions specifically designed for the MSE sector. It was believed that well-structured government entrepreneurial interventions would make it simpler for MSEs to get interventions for output expansion. These qualities include high-quality training, facilitating access to credit resources, embracing appropriate technology, and having the ability to compete in markets that are largely dominated by larger corporations Mashapure *et al.* (2022).

Ugwuoju *et al.* (2020) conducted in-depth research that confirmed how directly government entrepreneurial interventions affect enterprise growth. When combined with the distinctive qualities of MSEs owned by young people, the initiatives give MSEs access to crucial resources, increasing the possibility that businesses will expand. The studies suggested that government entrepreneurial interventions enable MSEs to access existing resources and facilitate the growth of their firms. Government support for entrepreneurship has the dual benefits of providing MSEs with resources and fostering business expansion. According to Ilori *et al.* (2018) and Jankelowitz and Myres (2019), these variables affect MSE growth; hence MSEs need efficient interventions that deal with entrepreneurship training, market access, financial accessibility, and technological advancements.

Earlier studies investigating the impact of entrepreneurial interventions provided by the government on the growth of SMEs exhibited a methodological limitation by employing a descriptive design, which is considered a weaker design approach (Rosli & Sidek, 2013; Zakaria *et al.*, 2016). Other studies demonstrated a conceptual limitation by excluding certain variables, such as training in entrepreneurship, the availability of credit, the use of online social media, and market access (Donner, 2004; Eijdenberg *et al.*, 2015). The studies concentrate on entrepreneurial interventions offered by the government, specifically in the context of the growth of MSEs owned by youth (Twesige *et al.*, 2021).

Previous research looked at the link between government interventions for entrepreneurship and business growth, but it did not examine how individual traits might operate as moderators in this relationship. Previous studies on the link between entrepreneurial interventions offered by the state and the growth of MSEs owned by youth have been conducted in countries other than Rwanda, thereby creating a contextual gap in the literature (Byrnes *et al.*, 2015; UNCTAD, 2016; Jirabi, 2017; Kar & Ahmed, 2019; Ugwuoju *et al.*, 2020).

Rwamigabo (2019) investigated the challenges faced by MSEs. Nonetheless, the study was unrelated to state entrepreneurial interventions or the expansion of youth-owned MSEs, therefore presenting a knowledge gap. Muthoni (2016) scrutinized the starring effect of entrepreneurship development on the growth of MSEs in Rwanda but did not consider the influence of government entrepreneurial interventions, thereby presenting a conceptual gap. The current research sought to fill these knowledge gaps by examining the influence of entrepreneurial interventions delivered by the state on the MSEs' growth; specifically, those owned by youth in Kigali, Rwanda, thereby addressing the contextual, conceptual, and methodological gaps identified in previous research.

1.3 Research Objectives

1.3.1 General Objective

The general objective of the research was to investigate the influence of government entrepreneurial interventions on the growth of youth-owned MSEs in the city of Kigali, Rwanda.

1.3.2 Specific Objectives

The specific objectives of this research were:

i) To determine the influence of training in entrepreneurship on the growth of MSEs owned by young people in the city of Kigali, Rwanda.

ii) To study the influence of accessibility of credit on the growth of MSEs owned by young people in the city of Kigali, Rwanda.

iii) To examine the influence of social media-based internet on the growth of MSEs owned by young people in the city of Kigali, Rwanda.

iv) To examine the influence of market accessibility on the growth of MSEs owned by young people in the city of Kigali, Rwanda.

v) To investigate the influence of individual characteristics in moderating the correlation between entrepreneurial interventions delivered by the government and the growth of MSEs owned by young people in the city of Kigali, Rwanda.

1.4 Research Hypotheses

The research assumptions of this study were:

i) **H_{01}:** Training in entrepreneurship does not significantly influence the MSEs' growth owned by youth in the city of Kigali, Rwanda.

ii) **H_{02}:** Credit accessibility does not significantly influence the MSEs' growth owned by youth in the city of Kigali, Rwanda.

iii) **H_{03}:** Social media-based online does not significantly influence the MSEs' growth owned by youth in the city of Kigali, Rwanda.

iv) **H_{04}:** Market accessibility does not significantly influence the MSEs' growth owned by youth in the city of Kigali, Rwanda.

v) **H_{05}:** Individual characteristics do not significantly moderate the correlation between the MSEs' growth owned by youth and entrepreneurial interventions provided by the government in the city of Kigali, Rwanda.

1.5 Significance of the Study

The influence of entrepreneurial interventions offered by the government on the growth of enterprises, especially MSEs owned by young individuals, was scrutinized in this research because it is essential for MSEs, policymakers, and upcoming researchers. The research outcomes may assist them in knowing the extent of the linkage between interventions in entrepreneurship offered by the government and the growth of MSEs, especially enterprises owned by youth. This study also demonstrated the importance of program training in enterprise management, credit accessibility, online social networks, and market accessibility for the expansion of MSEs owned by youth. The research findings may help the government of Rwanda formulate appropriate MSE programs or policies that enable the eradication of all matters associated with the growth of MSEs across the country.

This research outcome contributes vastly to the progress of MSEs and the improvement of institutional frameworks that can help youth access better-quality entrepreneurial training, credit services, and market facilities; the research findings also induced youth-owned MSES to adopt technology-based online social media as an effective management instrument for customer relations. The research findings may give feedback to the savings and credit institutions on the impact of their credit services given to MSEs. Other scholars may utilize the

findings, conclusions, and recommendations when they carry out similar research. The study showed more factors for further study about entrepreneurial interventions given by the state and the expansion of youth-owned MSEs.

1.6 Scope of the Study

The research investigated the influence of interventions on the development of MSE-owned by youths in Kigali. These interventions are such as training, financial accessibility, market accessibility, and utilization of online social media. Additionally, it explored how individual characteristics influence the connection between governmental interventions for entrepreneurship and the growth of MSEs owned by young individuals.

The study was led by the RBV theory and supported by the MSE support theory as suggested by Gibb, the adoption theory, and the growth theory of a firm, delved into these aspects. The study also picked the youth who received one or more entrepreneurial interventions provided by public organizations. The study concentrated on MSEs that were operating in Kigali at the time the data were obtained and were 35 years of age or younger.

The choice of Kigali was influenced by its considerable representation of MSEs owned by young individuals who have benefited from entrepreneurial interventions provided by the government. The ability of MSEs to create earnings and job prospects for a large fraction of the population was the primary factor in their selection. Youth-owned MSEs were required to conduct economic operations in one of the following sectors to qualify as a unit of population: agriculture, mining, commerce, services, manufacturing, or energy, and they could hold the revenue authority's business document. 154 respondents were selected from 252 within the population. The research study was cross-sectional, and it was conducted from July 2022 to August 2022.

1.7 Limitations of the Research

During the process of collecting data, a limitation was encountered in identifying youth-owned MSEs that had previously benefited from government entrepreneurial interventions. To address this challenge, the researcher utilized lists of beneficiaries from government programs provided by the Kigali Employment Service Centre, where the youth had received training for their enterprises' establishment and growth. These lists served as a networking approach to connect with other potential respondents.

Some participants showed caution and discomfort in divulging information related to their businesses, particularly their profit (turnover) details. To address this concern, the participants were guaranteed the utmost confidentiality in managing the information they provided. Another obstacle encountered by the study was the restricted availability of both time and financial resources. To address these constraints, the researcher employed a sample of respondents that was easily accessible, allowing for the generalization of the study findings within the identified parameters.

1.8 Organization of the Research

Chapter one encompasses the study's research background, research objectives, research hypotheses, and problem statement, significance, scope and as well as the research's structure and limitations. Chapter two delves into the literature about the subject under investigation, including the theoretical foundation, empirical studies, framework of conceptual, and a literature summary along with identified gaps. Chapter three delineates the research's design, encompassing the population targeted, sampling methodology, instrument for gathering data, procedures for gathering data, data analysis and presentation approaches, and ethical considerations. Section four presents the research findings and their interpretations, comprising contextual information, both inferential and descriptive statistics, as well as qualitative data

analysis. Section five encapsulates a summary, the knowledge contributed by this study, the research conclusions, and policy recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews previous studies related to aspects of entrepreneurial interventions from the government and the growth of MSEs owned by youth. Their critiques and methodological gaps have been summarized in the table, and the conceptual shows the influence of one variable on another and one within the study.

2.2 Theoretical Literature Review

The resource-based view remains the main theory of the research, and it is supported by the theory of technology adoption, theory of Gibb's MSE support, and theory of firm growth. The RBV theory states that the availability of resources might encourage the growth of MSEs owned by young people. The growth of MSEs depends on the support services mentioned in Gibb's MSE support theory. When selecting whether to accept or reject online social media, businesses should adhere to certain rules laid out by the theory of technology adoption. Finally, the theory of firm growth shows how MSEs acquire assets that boost their degree of competitiveness and promote economic growth.

2.2.1 Theory of Resource-Based View

The Resource-Based View Theory was introduced by Penrose (1959) who advocated that resource accessibility can be a channel for the growth of a business enterprise. Busenitz and Alvarez (2001) supported the statement by stating that growth can be realized when an enterprise can acquire resources that others cannot access easily. According to the theory, if an enterprise wants to compete with rivals and achieve growth, it must possess unique, scarce, and inimitable resources (Thompson, 2004). This brings distinctive plausibility for customers and growth achievement.

Barney (2001) proved the kinds of resources that facilitate every business organization to improve its growth and competitiveness. For instance, technological, monetary, and physical capital held by business establishments, and human and non-human resources. The theory highlights the nature of resources to be held by a business firm and they are in two forms: tangible and intangible assets, which are divided into material and immaterial resources (Jones & Hill, 2009). Physical or tangible resources are assets that can be touched; they often include things like buildings, land, and machinery. Intangible resources are assets that cannot be observable, touched, or measured directly (Jones & Hill, 2009). (Aldrich, 1999). The symbols representing a firm, administration processes, and organizational methods that the business establishment uses to administer and interconnect its numerous assets, the firm's outward appearance, and goodwill, are the prime resources that every firm must hold for running its economic activities.

Resource-Based View theory provides details about the specific resources that businesses should employ to foster growth. These resources, also known as external intangible assets, are crucial for enhancing a business's position in the marketplace and capacity to compete (Simpeh, 2011). According to Jones and Hill (2009), an organization must optimize the utilization of all of its resources to complete its business objectives. According to the theory, there must be maximization of both tangible and intangible assets to foster innovation and business growth.

Resource-Based View theory emphasizes how crucial it is to consider the entrepreneurial sector as a determinant in business growth. The theory states that a firm must be aware of the number and nature of competitors operating in a certain economic sector before deciding which economic activity to pursue. This enables business organizations to be more prepared to leverage market opportunities, manage risks, and adapt their capabilities and resources to the demands of their competitive environment by adopting a strategic posture within their industry.

The RBV theory emphasizes the significance of the entrepreneurial sector and external intangible assets in delineating a firm's growth, and it advocates a holistic approach to resource management and strategic decision-making.

Resource-Based View is a greatly relevant theory to the study since it explains how intangible resources may be exploited to increase an enterprise's networks, reputation, and entrepreneurial ability. Intangible resource-focused training gives MSEs a framework for utilizing their natural advantages and surviving in the competitive corporate environment. According to RBV, entrepreneurial training is an essential intangible resource that provides their unique capabilities, which in turn helps them obtain financing more successfully and make better use of digital channels for branding and promoting their products or services. This leads to the growth of enterprises through careful management of financial and technological resources.

2.2.2 Gibb's Firm Support Theory

Gibb's MSEs Support Theory was proposed by Gibb (1998) by providing valuable insights into the support services that policymakers should prioritize when designing policies or interventions to promote the growth of MSEs. The author described these support services needed for enterprise growth and classified them into two categories which are soft and hard support. Gibb's firm support theory explains soft support as an essential intangible element for creating business growth. Soft or non-material support directly impacts skill development, which also makes it easier to obtain the knowledge and abilities required for business success through interventions such as training (Allen *et al.,* 2008). Gibb's Firm Support Theory states that tangible or hardcopy support consists of advanced infrastructure, modern equipment, efficient inventory management, and transportation networks (Christopher & Holweg, 2011).

The theory indicates that the flexibility of policies or interventions is necessary as it enables policy adjustment if the MSEs modify their desires; a modification in the assistance provided,

a shift in the institutional framework, and alterations in the entrepreneurial interventions designed to facilitate the advancement of businesses. The theory also indicates that a policy structure should illustrate entrepreneurial interventions required to boost the growth of the enterprise and strategic features to quantify feasible growth. The theory asserts that the needs of MSEs should be a base of entrepreneurial intervention design to lessen the risks of failure.

The theory highlights that the institutional framework might give details about characteristics and forms of interventions for enterprise management and development and explains exactly how MSEs can benefit from established entrepreneurial interventions. It should also identify establishments that are assumed to assist the MSEs and their duties and roles to capacitate MSEs in attaining their ample growth. Gibb's MSEs Support Theory remains relevant for the study since it identifies all entrepreneurial supports desired and it shows how they can be adjusted if there is a change in the MSEs‘ needs, improvement in the structure of the support, improvement in institutions that are in charge of MSEs, and improvement in the MSEs‘ policy framework.

2.2.3 Technology Adoption Theory

Ryan and Gross pioneered (1943) technology adoption theory and it was built on the assumption that people learn to use online social media by traits that can be erudite (Sarabadani *et al.*, 2017). The level of skills and experience held by individuals are features that motivate the utilization of technology specifically online social media in the community. According to Tuten and Marks, (2012), individuals can acquire expertise and skills in social networking by passing through their cultures. Various authors pointed out that technology can be translated within undertakings of training, beliefs sharing, or practices amidst firms. Technology spreading can influence the decision of people or business organizations to use new technology.

The theory contends that technology has developed into a helpful social framework that companies can use to engage customers and out-compete rivals. The five steps that firms or individuals have to go through to adopt or refuse new technology (Rogers, 1962). Businesspeople must acquire basic skills about the utilization of the new technology and its importance in the business undertakings and prior criteria to embracing novel technical methods (Dearing & Jeffrey, 2018),

Muhammad *et al,* (2010) supported the theory and advanced three main reasons that push every enterprise to adopt or refuse new technical methods, especially social networking. These reasons are competitors' pressures, low consciousness of business establishments, and predictable profits resulting from adopting technology. Ardjouman (2014) confirmed that most enterprises adopt the technology due to the influence resulting from business stakeholders, competitors, and government support and policy. The operational environment in which a business conducts its operations. and its characteristics are determining factors in the use of technology.

The technology acquisition is based on how a firm motivates its workers to adopt changes that are possible if they are accompanied by technology. Technological innovation adoption can capacitate enterprise workers in improving their productivity as well as the firm's growth (Oliveira & Martins, 2011). This technology adoption theory also establishes the essential steps to be followed by business organizations to decide about online social media acceptance or rejection.

2.2.4 Growth of an Enterprise Theory

Penrose (1959) proposed the growth theory of firms by emphasizing the significance of assets in shaping the company's development. This theory proposes that a business entity's growth isn't solely dependent on its starting dimensions but rather on its competence to acquire and

efficiently employ the essential resources needed for advancement. Under the theory, the principle of proportionate growth argues that every firm, irrespective of its size, possesses the capability to expand at an equivalent proportionate pace when granted equal access to the essential resources (Evans, 1987).

In line with this theory, micro, small, medium, and large enterprises have an equal chance to achieve growth when they are provided with fair access to the resources necessary for their expansion. According to the theory, the progress of a firm is exclusively linked to its original size or position in the market. It underscores that the efficient utilization of resources plays a pivotal role in determining growth, as they empower firms to recognize their potential market opportunities. The growth of a firm theory outlines five stages that all enterprises go through during their growth journey. The first stage is the start-up phase where the enterprise brings its ideas into implementation and establishes its presence in the market. The phase of survival is the second stage where the firm focuses on generating sufficient cash flow to sustain its operations and ensure long-term viability.

As the firm progresses, it enters the success stage where it aims to enhance income by professionalizing operations and embracing technology. This stage involves enhancing operational efficiency, improving product quality, and expanding the customer base. The fourth stage is the take-off phase characterized by the business establishment's efforts to improve the capabilities of its workers using training. This stage enables the firm to strengthen its internal capabilities and adapt to changing market dynamics. Finally, the maturity stage represents the phase where the firm aims to achieve full growth and capitalize on its potential. The accessibility and effective utilization of resources become crucial at this stage as they determine the firm's ability to find opportunities, turning them into successful commercial ventures, and sustaining steady, long-lasting expansion.

Within this research, the theory of firm growth is pertinent because it illustrates the significance of market accessibility in propelling competitive advantage and facilitating growth achievement. Therefore, policymakers can design interventions that ensure equal opportunities for MSEs to access the local and international markets they need for growth. Briefly, the growth of a firm theory highlights the significance of market access as a significant feature in improving the growth and competition of MSEs

2.3 Empirical Literature Review

2.3.1 Entrepreneurial Training and Growth of MSEs

Vildiva and Karlan (2013) searched for the starring role of training in the development of youth-managed MSEs in Pakistan. Their findings stressed that training assisted them in achieving business success. However, the study used a descriptive research methodology, which focuses on describing the behavior of variables rather than establishing causal correlations between them, showing a methodological gap. Furthermore, because the study was done solely in Pakistan, a contextual gap occurred, which may restrict the generalizability of its results. This research filled the gap by illuminating the causal connections between the variables under investigation through an explanatory research approach. The current study was conducted in Kigali.

Logendran and Mayuran (2016) investigated training in entrepreneurship and its role in the expansion of small business establishments in Sri Lanka. The study noted that training is vital to increasing skills to nurture entrepreneurial culture among youth and help them identify ways of achieving growth. The study focused on customer service, marketing, quality assurance, and financial management using independent variables instead of the dependent variable of business growth, creating conceptual gaps. This study was carried out in Somalia, thereby presenting a contextual gap. The study emphasized on small and medium enterprises,

presenting a contextual gap. To close the gap, three concepts, namely online social media, entrepreneurial training, and market access, were explained and how they affect enterprise growth. This study filled that gap by concentrating on MSEs owned by youth.

Rukamba (2017) focused on how entrepreneurship can help SMEs in Rwanda grow and develop. The study looked at the significant impact that training about entrepreneurship has on the growth of these businesses in the Rwandan context. The study shed light on a significant facet of business advancement by emphasizing the critical relationship between entrepreneurship training and SME growth. However, there was a contextual gap because of its overarching focus on SMEs. The current study's objective was to close this gap by focusing on a particular subset of MSEs, specifically those owned by young people.

Yassin and Nasra (2017) studied training and the growth of enterprises run by Somali youth, providing important insights into fostering development and profitability for MSEs. The study's exclusive focus on the Somali context, however, created a contextual gap in the broader understanding of how training affects youth-led MSEs in different countries. To fill the contextual gaps, the current study was undertaken in Kigali, Rwanda. This research aimed to enhance the comprehension of the connection between training and the growth of MSEs owned by young people by focusing its attention on Rwanda.

A significant portion of the research concentrated on the expansion of SMEs and their operational outcomes. They also overlooked other aspects of entrepreneurial interventions delivered by the state, such as technology-based online social media, thereby presenting a gap. The study closed the conceptual gap by taking into consideration these aspects of entrepreneurial intervention provided by the government and their influence on the growth of MSEs owned by youth in the city of Kigali.

2.3.2 Accessibility of Credit and Growth of Youth-Owned MSEs

Abbott *et al.* (2010) investigated how access to capital affects the expansion of businesses. According to the study, the lack of loan availability, restricted access to markets, and expensive raw materials and other inputs hurt business growth. The research focused more on the influence of financial access on business success than the rise in MSEs owned by young people. The study's descriptive research design falls short in demonstrating the causal relationship between variables. Increases in employee and annual profit will be used as growth indicators in this study to assess how entrepreneurial interventions supplied by the government impact the expansion of youth-owned MSEs. This explanatory study design sought to emphasize the causal connections between the variables.

Nanteleza (2018) assessed the availability of financing for SMEs in Malawi. The study's results revealed that credit availability affected the expansion of businesses. Additionally, it was shown that SMEs with access to finance outperformed those without it. The fact that the research was also restricted to Blantyre City, Malawi, caused a contextual gap. The research utilized a descriptive approach to describe the characteristics of the variables, which draws attention to methodological gaps. The current study, in contrast, established causal relationships between the variables under inquiry by using an explanatory approach and was carried out in Kigali.

Nzibonera and Waggumbulizi (2020) researched credit and its influence on firms growth in Kampala, Uganda. The study findings indicated that secured credit, group credit, and working capital credit positively influenced enterprise performance. The study presented the contextual gap as it was undertaken in Uganda. The study emphasized secured credit, group credit, and working capital credit as aspects of credit and overlooked other variables, therefore creating a conceptual gap. The study was carried out in Kigali, Rwanda. It looked at credit, but other

variables were ignored, including training, market access, and online social media, because they influence firm growth.

Marko *et al.* (2019) examined the finance and expansion of SMEs in Croatia. The study found that credit accessibility positively affects expansion. It also revealed that credit helps SMEs access fixed income and increase working capital. This study did not explain the influence of networking social media, entrepreneurial training, and market accessibility in augmenting the growth of youth owned MSEs, thereby presenting a conceptual gap. To close the gap, three concepts, namely online social media, entrepreneurial training, and market access, were explained and how they affect enterprise growth.

2.3.3 Social Networking and Growth of Youth-Owned MSEs

Lina and Musika (2018) studied the relationship between SMEs in Sweden and online social media. The study found that social media on the Internet had a beneficial impact on Swedish SMEs' expansion. There is a conceptual gap because the moderating variable's impact was not addressed. A contextual gap was presented since Sweden was also where the study was conducted. This study filled the gaps by investigating the influence of the moderating variable, which is individual characteristics. The contextual gap was filled by conducting a study in Rwanda.

Srinivasan *et al*. (2016) studied the starring role of social networking in increasing the growth of SMEs. The study found that online networking strongly influences the growth of the firm via brand trust and client retention. The studies also used total brands and clients as indicators for growth and measured its effects in the context of profitability but not firm growth. This study measured the influence of social networking on improving the output of MSEs and availability of software applications; the level of skills in the use of social networking and network size are indicators of online social media.

Srinivasan *et al.* (2016) researched the impact of social networking strategies used by SMEs. The research discovered that social media on the Internet has a favorable impact on client acquisition, brand trust, and procurement. However, there aren't many studies about social networking and young-owned MSEs in Rwanda. This study fills that gap by cautiously examining how social networking has affected the expansion of young MSEs in Kigali.

2.3.4 Accessibility of Markets and Micro and Small Enterprises' Growth

Chigunta (2001) conducted a study by scrutinizing the problems that restricted small business firms from accessing foreign markets. Different studies showed that various MSEs are not able to bring the improved product to market, and therefore, they cannot compete with multinational firms in foreign markets. Research findings indicated that youth lack enough skills to bring innovative products to compete with large enterprises. Therefore, they copied successful businesses and operated them, and they finally failed because of high competition. The study, directed in Malaysia, demonstrated the contextual gap. This study was done in Kigali to fill the gap.

Philip (2002) investigated challenges that impede youth-owned MSEs from accessing global markets. Research findings indicated that youth lack the skills required to compete with large enterprises; they copied successful businesses and operated them, but they finally failed because of high competition. The study, conducted in Malaysia, revealed the contextual gaps. This research was done in Kigali to bridge the gap.

Clough (2011) explored challenges limiting small firms and strategies adopted for improving MSEs growth in East Africa. The research findings found that owners of enterprises targeted customers surrounding them, which led to high competition within the firms located in the same zone. A descriptive research design was adopted to explain causative correlation among variables, but it only indicates the behavior or characteristics of variables, thus presenting a

methodological gap. This research employed an explanatory-based research approach to show the causal linkages among the variables under investigation.

Sibiya and Kele (2019) explored the obstacles and government policies impeding SMEs access to the international market in the context of South Africa. The research result stated that the expansion of MSEs is restricted by market information barriers and institutional instructions, which reduce their chances of accessing market opportunities. They adopted contracts and accessibility to procurement as distinct criteria. A methodological gap occurs because the study used survey research methodology. To close the gap, three concepts, level of competition, number of MSEs that acquired tenders, and number of business firms that joined the business clubs—were used to explain how market accessibility affects enterprise growth.

2.3.5 Government Interventions, Individual Characteristics, and Growth of MSEs

Okpara and Kabongo (2009) looked at the starring role of individual traits on the growth of small businesses in South Africa. The research results revealed that a company's capacity for growth was not greatly impacted by factors impacting sales revenue or human resources. It was argued that experience significantly influences the output of firms. The study used human resource factors, sales revenue, and work experience to gauge the influence of entrepreneurial characteristics on performance, thus presenting a gap. There is a contextual gap in the research since it was carried out in South Africa. This research filled the gap using experience, education level, and innovativeness to measure the effect of individual characteristics, which is a moderating variable. This study was conducted in Kigali.

Another study by Abdulwahab and Dame (2015) examined how individual characteristics affected the expansion of SME in Jordan. Education and experience both contributed to the expansion of SME's in Jordan. The study used individual characteristics as the independent variable, and its indicators were knowledge level, innovation, and work experience,

consequently presenting a contextual gap. It measured its effects in the context of SME growth but not the growth of youth-owned MSEs. Work experience, education level, and innovativeness were the key indicators of individual characteristics that the research used to demonstrate how personality characteristics influence the linkage between the growth of MSEs and interventions in entrepreneurship delivered by the government.

2.4 Summary of Literature Review and Research Gaps

The study has revised different pieces of literature related to the subject being studied. The explanatory variables, namely entrepreneurial training, credit accessibility, use of online social media, and market accessibility, have been discussed and revealed that MSEs can grow if policymakers come up with entrepreneurial interventions that encourage MSEs to maximize growth. The RBV is the main theory of this research; it has been discussed and demonstrated that MSEs with access to all varieties of human and non-human resources can grow from the startup phase.

The RBV is complemented by Gibb's enterprise support theory, which explains four kinds of support that government policymakers must provide to MSEs to achieve their growth. The adoption theory explains the fundamental steps that firms have to follow for new technology-based online social media acceptance or rejection. The theory showed that online social media is indispensable to improving how MSEs have been operating their businesses in the past few years. Growth theory explains how asset accessibility helps a firm achieve growth. Finally, all theories showed that youth-owned MSEs with more tangible and intangible resources and those who adopted online social media in their daily business actions to realize the expansion.

Many previous studies focused on the growth of SMEs other than the expansion of MSEs owned by youth. They also investigated the role of BDF and other government programs in the growth of enterprises. Most of the studies have been conducted out of Kigali City, Rwanda,

and adopted a descriptive research design, therefore presenting contextual and methodological gaps. Previous research did not take into account the interaction of market access, credit, usage of online social media, and business training. The study filled the gaps by looking at how public entrepreneurship interventions increased the expansion of MSEs owned by young people in Kigali, Rwanda.

Table 2.1: Literature Review Summary

Author	Topic	Findings	Research Gaps	Focus on this study
Nzibonera and Waggumbulizi (2020)	credit and its influence on the firms' growth in Kampala, Uganda	The study findings indicated that secured credit, group credit and working capital credit have positive influence on the enterprise performance.	The study presented the contextual gap as it was undertaken in Uganda. The study emphasized on secured credit, group credit and working capital credit as the aspect of credit and overlooked other variables therefore creating a conceptual gap.	The study was conducted in Kigali, Rwanda. It looked on credit and other variables ignored include training, market access and online social media because they influence firm growth.
Sibiya& Kele (2019)	Examination of the restrictions and governmental initiatives affecting the foreign market expansion of SMEs in South Africa.	The results of the study showed that institutional constraints and informational obstacles hindered the growth of SMEs and their markets.	The study evaluated how the expansion of small business establishments was impacted by contracts, financial accessibility, legal framework, and market accessibility. The study adopted survey research design hence presenting methodological gap.	In order to close the gap, three concepts namely level of competition, extent of enterprises access tenders and umber of enterprises belonging to Business clubs are explained and how they affect enterprise growth.
Marko *et al*, (2019)	Investigate the access to finance and performance of SMEs in Croatia.	The study found that credit accessibility positively affects the performance. It also revealed that credit help SMEs to access to fixed assets and increase working capital.	This study did not explain the starring role of networking social media, entrepreneurial training and market accessibility in augmenting the growth youth owned of MSEs hence presenting a conceptual gap.	In order to close the gap, three concepts namely online social media, entrepreneurial training and market access were explained and how they affect enterprise growth.
Nanteleza (2018)	The evaluation of the access to finance by SMEs from banks in Malawi	The research indicated that credit accessibility effected the growth of enterprise. It also indicated that SMEs which accessed to credit performed better than these who did not access to financing.	The study was also conducted in blantyre city-, Malawi accordingly presenting a contextual gap. This research utilized a descriptive design which explains the characteristics of the variables thus presenting a methodological gap.	The current reseach had been carried out in Kigali. The study used explanatory design to show causal correlation between the study variables.

Lina and Musika, (2018)	The social Media and SMEs' growth in Sweden.	The study revealed that online social netwok definitely influenced the growth of SMEs in Sweden.	The effect of the moderating variable was not examined hence presenting conceptual gap The study was also carried out in Sweden thus presenting a contextual gap.	The study filled the gap by examining effect of the moderating variable which is individual characteristics. The contextual gap was filled by conducting study in Rwanda
Yassin and Nasra (2017)	The training and expansion of business establishments run by youth in Somalia.	The study revealed that training has a positively impacted the growth of the enterprise and benefits owners of MSEs via increased profits.	This study was carried out in Somalia hence presenting a contextual gap	This research study was conducted in Kigali, Rwanda so as to fill the contextual gap.
Rukamba (2017)	The role of entrepreneurial in increasing capacity of the SMEs and their growth in Rwanda.	The study sought that entrepreneurship training considerably affects the SMEs' growth in Rwanda.	The study made emphasis on Small and Medium Enterprises presenting a contextual gap.	This study filled the gap by concentrating on MSEs run by young people.
Srinivasaan *et al*, (2016)	The social networking as techniques utilized by SME to increase growth.	The study found that online networking strongly influences the growth of the firm via brand trust and client acquisition and client retention	The studies also used total brands and clients as indicators for growth and measured its effects in the context of profitability but not firm growth.	This research study measured effects of social networking in improving output of MSEs and access to software applications; level of skills in the use of social networking and network size are indicators of online social media.
Logendran Mayuran (2016)	Entrepreneurial training and its influence towards the growth of small business establishments in Sri Lanka.	The study has noted that training is vital in increasing skills to nurture entrepreneurial culture among the youth and help them to identify ways of achieving the growth.	A conceptual gap resulted from the study's focus on independent variables such as customer service, marketing, quality control, and financial management rather than the dependent variable of business growth.	In order to close the gap, three concepts namely online social media, entrepreneurial training and market access were explained and how they affect enterprise growth. This study filled that gap by concentrating on MSEs run by youth.

Abdulwahab and Dame (2015)	The role that individual traits have in the development of small businesses in Jordan.	The results of the study showed that experience and education were important variables in the expansion of small businesses in Jordan.	With knowledge level, inventiveness, and work experience as its indicators, the study used individual traits as an independent variable, resulting in a contextual gap. It did not measure the increase of MSEs owned by young people, but rather how SMEs grew.	The moderating role of personal characteristics in relation to growth and government-driven entrepreneurial interventions was examined in this study. The three main indicators of individual traits were work experience, education, and inventiveness.
Vildiva and Karlan (2013)	The influence of training on the development of enterprise owned by the youth in Pakistan.	The study found that entrepreneurial training was important to the youth-managed MSEs and it also indicated that adequate skills acquired would assist them in achieving growth.	The research used a design of descriptive research which is not a strong design in terms of explaining the causal relationships among variables because it only explains the behavior variables therefore presenting a methodological gap. The study was also carried out in Pakistan consequently presenting a contextual gap.	The current study filled this gap by using the approach of explanatory to reveal the causal relationships among the variables being studied. The current investigation was conducted in Kigali.
Clough (2011)	The challenges faced by MSEs and in east Africa.	The research findings found that owners of enterprise concentrates on local customers surrounding them and this leads to high competition.	The research utilized a descriptive research design to explains causal relationship among variables and it explains the behavior or characteristics of variables thus presenting a methodological gap	The study used explanatory research design due to its relevance in describing relationship between two variables.
Abbott *et al*, (2010)	The contribution of access to finance to the business growth.	The study found that inaccessibility to credit, limited access to markets, raw materials and other inputs at reasonable cost affect negatively enterprise growth.	The research scrutinized the effects of financial access on business performance but did not examine the expansion of MSEs owned by young people. This study used a descriptive research approach, which is weak in elucidating the causal relationship between variables.	In this study, the expansion of enterprises especially MSEs owned youth was examined in relation to the effects of governmental entrepreneurial support, with increases regarding number of workers and annual profit serving as growth indicators. This explanatory research design was utilized for bringing up causal correlation between the variables.

Okpara, & Kabongo, (2009).	The effect of entrepreneurship qualities on the growth of small businesses in South Africa.	The study's findings showed that the company's growth was not significantly influenced by either its human resource or sales revenue. It was stated that a company's reputation and experience positively impacted its performance.	Using human resource factors, sales income, years in business, and job experience, the study looked at how entrepreneurial attributes affect firm growth and discovered a gap. It has a contextual gap as it was carried out in South Africa.	The current study filled this gap by measuring the influence of individual traits, which is a moderating variable, utilizing job experience, education level, and innovativeness. This research was done in Kigali.
Philip, (2002)	The challenges impede youth run MSEs to access to global markets	Research findings indicated that youth lacks skills requiring for competing with large enterprises and they copied successful businesses and operate them and they finally failed because of high competition.	The study presented the contextual gap because it was carried out in Malaysia.	The research filled a contextual gap by carrying out this study in Kigali.

Source: Researcher (2022)

2.5 Conceptual Framework

A conceptual framework is a diagram that expresses precisely how a researcher thinks about the connections between significant components of a study. It shows the relationships between variables or constructs. Figure 2.1 depicts the connection between government interventions aimed at fostering entrepreneurship and the expansion of MSEs owned by young individuals in Kigali, Rwanda.

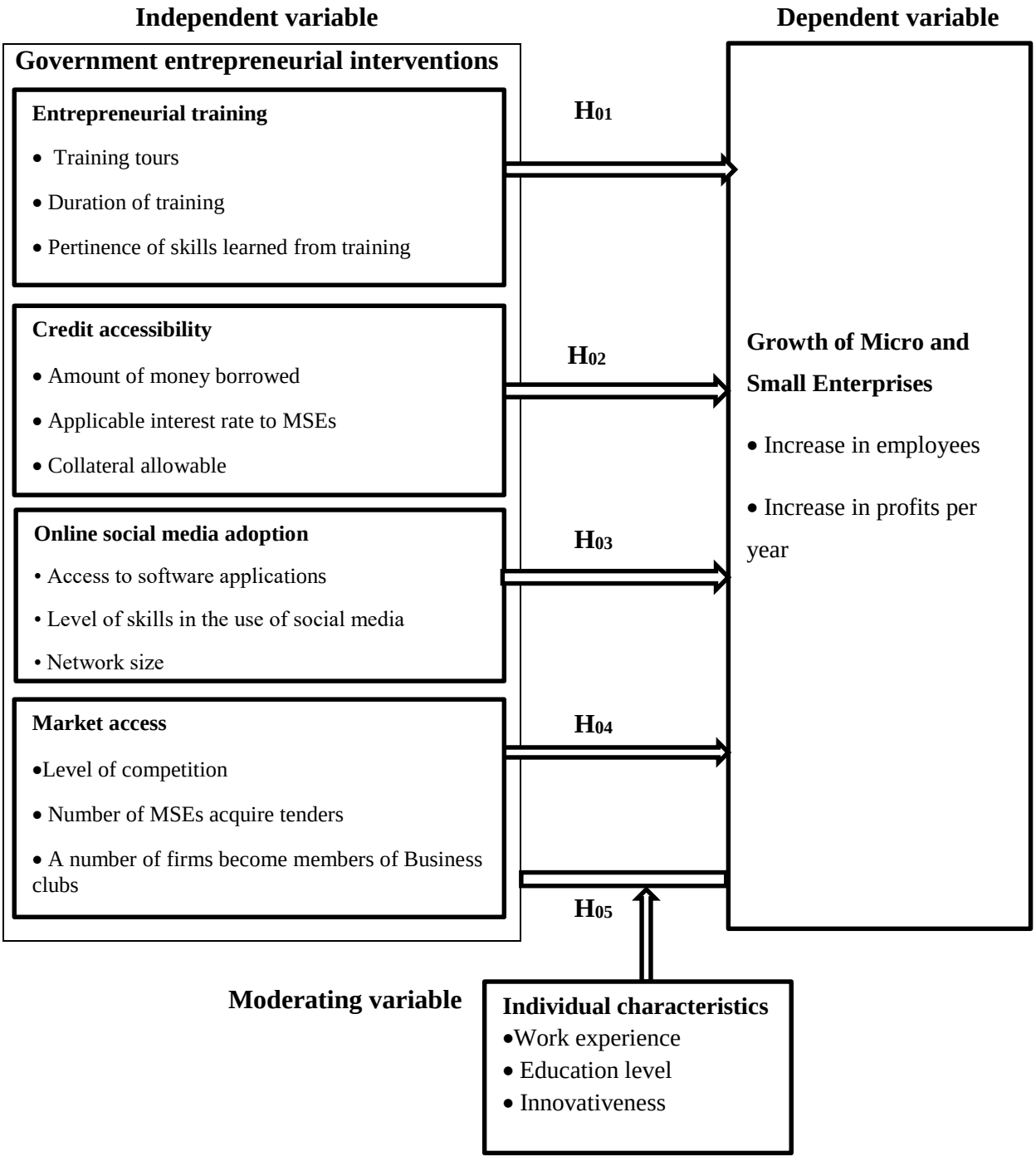

Figure 1Figure 2.1: Conceptual Framework

Source: Researcher, 2022

The growth of MSEs is influenced by several elements of government entrepreneurial interventions, especially those owned by youth. These interventions include aspects such as training regarding entrepreneurship, financial access, the utilization of online social media, and increased market access, all of which have the potential to boost business growth. The study focused on the significance of these government interventions in determining the growth of youth-owned MSEs to thoroughly investigate this relationship.

The variables in the study were operationalized as follows: Training tours, training duration, and perceived relevance of gained skills were used to assess entrepreneurial training. The amount borrowed, applicable interest rates for MSEs, and the range of permitted collateral were used to measure credit accessibility. Access to software programs, competency in using networking media, and the size of one's network were used to assess social media based internet adoption. The amount of competition, the number of MSEs obtaining tenders, and the number of enterprises joining business clubs were used to assess market access. A rise in the number of workers and the profits per year enhanced growth of MSEs. The operationalization permitted a thorough examination of the study's findings.

There is an interplay between the variables used in the study. In this intricate relationship, entrepreneurial training, financial access, the use of online social media, and market access form a dynamic ecosystem that propels business growth. Entrepreneurial training serves as a means to empower individuals with the expertise needed to navigate the complexities of business management. Training also facilitated the adept utilization of online social media platforms as powerful tools for market engagement. As youth-owned MSEs used the potential of these platforms to connect with customers, the synergy between their acquired training and strategic

online presence could attract investor interest and facilitate financial access. With financial resources at their disposal, youth-owned MSEs could then embark on ventures that extend their market access and explore new demographics and geographic regions.

Furthermore, individual characteristics as a moderating factor have an impact on how the dependent variable (entrepreneurial interventions provided by the state) influences the dependent variable (growth of MSE-owned youth). Work experience, education level, and innovativeness were used to measure individual characteristics. For example, education and work experience help youth-owned MSEs improve their business skills. Furthermore, innovation improves the entrepreneurial abilities and competencies of these MSEs in both local and international markets, ultimately influencing their growth in Kigali, Rwanda.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter provides a summary of the research methods and research design for the study. The study includes the population targeted, outlines the sampling methodology, and determines the sample size, among other aspects. Additionally, it delves into the methods utilized to collect data, their acquisition and analysis procedures, and the incorporation of ethical considerations into the research.

3.2 Research Philosophy

The research philosophy aims to elucidate the process of generating research information (Saunders *et al.*, 2009). The adoption of positivism as the relevant research philosophy was chosen due to its ability to produce unbiased outcomes and allow the researcher to maintain independence. Positivism encompasses various laws and techniques that facilitate the generalization of sample findings to the target population based on observable and social realities (Shinn et al., 2007). This approach, rooted in the natural sciences and social reality, is amenable to validation through measurable evidence (Murya, 2010). The research study operated on two assumptions, which were subsequently tested for acceptance or rejection.

3.3 Research Design

The research employed explanatory and descriptive research designs. The descriptive design was chosen to scrutinize the type and level of association between explanatory and explained variables, while the explanatory design was utilized to uncover causal connections between different variables (Saunders et al., 2009). The research approach of explanatory explains the link between

the independent variables (entrepreneurial supports provided by the government, such as training, credit accessibility, adoption of online mass media, and market accessibility) and the dependent variable (growth of MSEs owned by youth) in Kigali. The study also included individual characteristics as moderating variables to examine how they affect the link between public interventions for entrepreneurship and the expansion of MSEs owned by young people. The use of these research designs was instrumental in analyzing and interpreting the obtained data, facilitating research generalization and prediction.

3.4 Target Population

The study targeted 252 owners of MSEs aged 35 and below who were owned businesses in Kigali. The study focused on business owners who received one or more entrepreneurial assistance programs from the government, such as entrepreneurial training, credit, and other amenities given to access the market. Youth-owned enterprises were the primary respondents, and the researcher used information obtained from the Kigali Employment Service Center database to reach the respondents.

The study concentrated on Kigali because of the substantial concentration of enterprises and the many businesspeople who realized the growth of their enterprises and those who failed to thrive but still survived or changed business undertakings. The city of Kigali also has a large number of youth who have benefited from entrepreneurial interventions from the government (GoR, 2018). The study targeted different categories of MSEs operating in Kigali, for instance, agriculture, mining, commerce, services, manufacturing, and energy. Micro enterprises in Kigali have employees between 1 and 3, and small enterprises have between 4 and 30 employees.

Table 3.1: Distribution of the Target Population

Category of MSEs	Target Population	Percentage
Agriculture	44	17.4
Mining	30	11.9
Service	56	22.2
Commerce	47	18.7
Manufacturing	33	13.1
Energy	13	5.2
Others	29	11.5
Total	**252**	**100.0**

Source: MINECOM (2010)

3.6 Sampling Design and Procedure

The enterprises were chosen based on their relevance to the following economic segments: mining, services, agriculture, manufacturing, trade, and energy. The MSEs themselves were employed as the analysis unit, and the youth-managed MSEs were used as the unit of observation. Using a stratified random selection technique, the respondents were selected from the various subpopulations. This method is effective at segmenting the population into homogeneous groups known as strata (Siaw, 2014). It was necessary to collect a sample from each stratum to which each population belonged. Using this sampling approach, each object had an equal probability of being selected to be a part of the sample (Singh & Belwal, 2008). This limited sample was biased, and the results were reliable enough for generalization.

The number of business sectors used to determine the strata in which the primary respondents were chosen; respondents for each micro and small enterprise were purposefully and randomly chosen in each stratum. This study used the formula of Yamane (1967) because it has been previously used by different researchers, for instance, Eunice *et al*. (2022). They argued that the Yamane formula gives an explanation and description concerning the goodness and simplicity of this

formula given computing and yields a reliable sample size. This study targeted the population of 252 youth-owned enterprises in Kigali. The formula of Yamane is given below:

n. = N/ (1+Ne2)

Where: n = Sample size

N = population

1 = constant

e^2: is the standard error with 0.5, level of significance

i) N = 252

ii) e = 0.05

iii) n = 252 / 1+252 $(.05)^2$

iv) n = 154

The sample size obtained from Yamane's formula is 154 respondents

Table 2.2: Sample Distribution

Strata	**Population (N)**	**Multiplier factor 154/252**	**Sample Size**	**Percentage**
Agriculture	44	0.61	27	17
Mining	30	0.61	18	11.9
Commerce	56	0.61	34	22.2
Services	47	0.61	29	18.7
Manufacturing	33	0.61	20	13.1
Energy	13	0.61	8	5.2
Others	29	0.61	18	11.5
Total	**252**		**154**	**100**

Source: Researcher (2022)

3.7 Data Collections Instrument

Primary data were used to scrutinize the influence of entrepreneurial interventions delivered by the government to the growth of MSEs owned by youth in Kigali. The research utilized the form

of a semi-structured as a tool to gather the information that the MSEs were likely to hide (Brinkman, 2009). The open-ended questions yielded more information that might be left out by close-ended questions to help the researcher get unstructured responses.

The research questionnaire comprised a cover letter (Appendix 1) and had eight sections. Part A of the questionnaire consists of Q1 and Q2 asking for information regarding personal information; Part B consists of Q3, Q4, Q5, and Q6 asking for information regarding the status of MSEs. Part C consists of Q7, Q8, and Q10, which contain information regarding entrepreneurial training and the growth of SMEs. Section D has Q11, Q12, Q13, and Q14 regarding the accessibility of credit and the MSEs' growth. Part E also consists of Q15, Q16, Q17, and Q18 information on the enlargement of MSEs and the utilization of online social media. Part F has Q19, Q20, Q21, and Q22 and regards market access and growth of SMEs.

Part G has Q23, Q24, Q25, Q26, and Q27 information regarding how individual characteristics affect government entrepreneurial interventions and the growth of SMEs. Part H incorporates Q28 information regarding entrepreneurial interventions provided by the government and the growth of the performance of SMEs. Lastly, Part J incorporates Q29, Q30, Q31, and Q32 information regarding the growth of youth-owned MSEs.

Table 3.3: Variables Operationalization and Measurement

Nature	Variable	Indicators/ Measure	Operationalization definition	Types of Analysis	Measurement Criteria in Questionnaire
Dependent	Growth of youth owned MSEs	Size of profits per year Change in number of employees		Descriptive & inferential Statistics	Section H Q28
Independent	Entrepreneurial training	Training tours Duration of training Level of skills learned from training	Teaching individual's skills and knowledge on the subject of how to achieve enterprises growth from beginning to steady stage. In the context of this study, it means to instruct youth owned MSEs skills relating to enterprise management.	Descriptive & inferential Statistics	Section C Q7, Q8, Q9and Q10,
Independent	Access to credit	Applicable interest rate to MSEs Collateral allowable Amount of money borrowed	Is the probability of person or firm' owner to access financial facilities	Descriptive & inferential Statistics	Section D Q11, Q12, Q13 and Q14
Independent	Online social media	Access to software applications Level of skills in employing of social networking Network size	Is the acceptance of web based internet services that help person or enterprise to construct highly communicative platform through which a person or enterprise can share their emotions and feelings? For instance: Facebook, twitter, whatsapp and among others.	Descriptive & inferential Statistics	Section E Q15, Q16, Q17 and Q18
Independent	Market access	Level of competition Number of business organizations that could acquire tenders Number of business establishments belonging to Business clubs	Is the possibility of person or enterprises' owner to access market opportunities service?	Descriptive & inferential Statistics	Section F Q19, Q20 Q21, Q22
Moderating	Individual characteristics	Work experience Education level Innovativeness	Are undertakings of an individual who was apt to convert ideas into valuable opportunity through accepting the risk.	Descriptive & inferential Statistics	Section G Q23, Q24, Q25, Q26, and Q27

Source: Researcher 2022

3.8 Instrument Reliability and Validity

3.8.1 Pilot Test

The pretest study was done on a sample of MSEs owned by youth, which was similar to the real respondents and geared toward determining the consistency and rationality of research instruments. It has been expounded that 10–30 percent of the sampled respondents are suitable for piloting (Mugenda & Mugenda, 2003). A small sample of the population of 20 youth-owned MSEs was chosen from the Gasabo district.

The pilot test was personally administered by the researcher to get more comments from respondents. The unclear instructions indicated by respondents were corrected and incorporated into the questionnaire before starting the process of collecting the data. The study used a pilot test to check the reliability and evaluate if respondents would reply to the questions as given in the questionnaire. The pretest gave the researcher suggestions from these respondents, which were indispensable for making adjustments to the research questionnaire.

3.8.2 Validity

To ensure content validity, the questionnaire was given to the supervisors to assess the quality of the tools utilized in gathering the research data needed. The purpose of the evaluation was to verify whether the instrument had good sample questions covering all the research objectives (Cooper & Schindler, 2003). After the assessment, the recommendations were added to the questionnaire and distributed to the respondents. The validity assessment was done to check whether the instrument represented the items to be valid. Validity focuses on the method of measurement that fits with the constructs that the researcher intends to examine. The researcher obtained the research variables and indicators from the previous literature.

3.8.3 Reliability

The pilot test was conducted in the Gasabo district, and twenty questionnaires were delivered to the 20 MSEs owned by youth. The coefficient of Cronbach's alpha was employed to look at reliability because it was a measure of internal consistency and the scores from one module of the instrument were connected with those from another. The accuracy of the gathered data was checked utilizing SPSS software. The coefficient's proper value, which ranges from 0 to 1, is 0.70 (Hair, 1998). The variables are considered unreliable if the coefficient is less than 0.7.

Table 3.4: Outcomes of Reliability Examination

Variables	N of items	Cronbach's Alpha	Realibility
Training in entrepreneurship	7	0.85	Reliable
Credit accessibility	6	0.88	Reliable
Online social media	7	0.90	Reliable
Market accessibility	6	0.87	Reliable
Individual characteristics	5	0.91	Reliable
Growth	6	0.79	Reliable
Reliability index	37	0.85	Reliable

Source: Pilot Data (2022)

The table above shows that individual characteristics variables were first to have the highest reliability (α = 0.919), followed by online social media (α =0.900), access to credit (α = 0. 889), market access (α =0. 875), entrepreneurial training (α =0.857), and growth (α = 0. 797). The findings demonstrated that all variables are reliable as long as their Cronbach's Alpha results are greater than 0.7, the suggested coefficient proposed by Hair (1998). As indicated by Dzwigol and Dzwigol-Barosz (2018), the findings shown in the table above demonstrate that there was dependency in scaling all variables, as evidenced by Cronbach's alpha value of 0.854.

3.9 Data Collection Procedure

The letter provided by Kenyatta University was employed to get a research permit from Kigali authorities, and both letters had been used to gather information in three districts of Kigali. The following technique was employed in collecting data: Visit the respondents and remain in contact with them through telephone calls. 154 questionnaires were brought to 154 respondents, and respondents had two weeks to return them to the researcher after answering the given questions. Data was gathered between June 2022 and July 2022.

3.10 Data Analysis and Presentation

After collecting information, the information was edited to ensure that it was perfect, reliable, consistent, and complete. The error elimination had been made by cleaning and sorting the data to enable the entry of the data in SPSS, which enabled the scrutiny of quantitative data in this research. The characteristics of the youth-owned MSEs were described by utilizing descriptive statistics comprising frequency, percentages, mean, and standard deviations (Muathe, 2010).

To test the hypotheses, the use of inferential statistics assisted in examining the degree of association and significance of the influence of entrepreneurial interventions delivered by the government on firm expansion, specifically MSEs owned by youth. The regression enabled us to make a prediction of the alterations in the dependent variable (growth of MSEs owned by youth) when the independent variables (government entrepreneurial interventions) changed.

The formulation of the models that are written as; $Y^1 = \beta^1 0 + \beta^1{}_1 X_1 + \beta^1{}_2 X_2 + \beta^1{}_3 X_3 + \beta^1{}_4 X_4 + e$

Where:

Y^1 = Dependent variable (growth of youth-owned MSEs)

$\beta^1 0$= Constant

X_1 = Entrepreneurial training

X_2= Accessibility of credit

X_3 = use of online social media

X_4 = Market accessibility

e = Stochastic term

β = Coefficient of independent variables

Therefore, after substituting;

Growth of youth owned MSEs= $\beta^1 0 + \beta^1{}_1$ (Entrepreneurship training) + $\beta^1{}_2$ (Accessibility of credit) + $\beta^1{}_3$ (adoption of online social media) + $\beta^1{}_4$ (market access) + ε

3.10.1 Testing the Moderating Effect of Individual Characteristics

The model was employed to test the effect of moderating variables (Whisman & McClelland, 2005). The test helped to determine whether the coefficient of interaction (government entrepreneurial interventions *individual characteristics) was significantly different from zero. The moderation model was relevant to demonstrate the greatness and direction of the moderating variable. For the analysis, equation A was regressed, and it is the undeviating effect model; equation B was inserted as the moderator variable, as shown below.

$Y^1 = \beta^1 0 + \beta 1Xi + \varepsilon$ ..... (A)

$Y^1 = \beta^1 0 + \beta 1Xi + \beta 46Z + \beta 47XZ + \varepsilon i$..... (B)

Where;

Y = Growth of MSEs (Dependent variable)

Z = Individual characteristics (Moderator)

Xi = Government entrepreneurial interventions

Where;

B^10 = Constant

ε = Stochastic term

β^11 = coefficient correlating the predictor variable, Xi, to Y^1, when Z = 0,

β46= coefficient correlating the moderator variable, Z, to Y, when X = 0,

β47 = coefficient correlating to the interaction effects (XZ) among the moderator and the predictor variable.

The outcomes derived from equations illustrate the impacts of the moderating variable through the coefficient β47 while estimating the moderated influence. Positive values of 47 suggest a sizable moderating impact (Fairchild & Mackinnon, 2009).

Table 3.5: Criteria for Moderation Decision

Model 1	Model 2	Total effect	Conclusion
β1 has no significance if (p>0.05)	-	-	No overall moderating influence
β1 has a significance if (p≤0.05)	B46 has no a significance if (p>0.05	_	Moderating variable is an independent variable
β1 has a significance if (p≤0.05)	B46 has a significance if (p≤ 0.05)	B47	Moderating variable has a moderating influence

Source: Whisman and McClelland (2005)

When the moderation influence is stated, then the coefficient (β 47) of the interaction term (government interventions * individual characteristics) in model B might bring out the magnitude and direction of the moderating variable.

The statistical conclusions were drawn by testing the research hypotheses with a 95% confidence level. SPSS was used to include results for every independent variable in the study and bring out multiple scores, which were utilized in the multivariate analysis. ANOVA enabled us to test if the

models utilized in the study were statistically significant by specifying if R2 happened by chance or not. The equation has significance when the F-ratio is also created in the ANOVA table and probability value is below 0.05 with a confidence level of 0.95. If the probability value exceeds 0.05, then the opposite is true. The probability values for each of the variables should be less than 0.05 to conclude that they are significant with a 95% confidence level.

Table 3.6: Hypotheses Testing

In conclusion, the following different forms—tables and graphical forms—were utilized in presenting the collected quantitative data.

Objective	**Research Question**	**Equation Regression Model**	**Thresh-hold for Interpretation**
To demonstrate the impact of training in entrepreneurship on the MSEs' growth owned by youth in the city of Kigali.	Entrepreneurial training has no impact on the MSEs' growth owned by youth in the city of Kigali?	Model of Multiple Regression $Y^1 = \beta^1 0 + \beta^1{}_1X_1 + \beta^1{}_2X_2 + \beta^1{}_3X_3 + \beta^1{}_4X_4 + \beta^1{}_5X_5 + e$	R^2 Worth F Worth t Worth $P \leq 0.05$
To investigate the impact of credit accessibility on the MSEs' growth owned by youth in the city of Kigali.	Credit accessibility has no impact on the MSEs' growth owned by youth in the city of Kigali?		
To scrutinize the importance of social media based online on the MSEs' growth owned by youth in the city of Kigali.	Social networking has no noteworthy influence on the MSEs' growth owned by youth in the city of Kigali?		
To evaluate the impact about accessibility of market over the MSEs' growth owned by youth in Rwanda in the city of Kigali.	Market accessibility has no noteworthy impact on the MSEs' growth owned by youth in the city of Kigali?		
To investigate how individual characteristics moderate the link amongst government interventions and the MSEs' growth owned by youth in the city of Kigali.	Individual characteristics have no noteworthy influencing the correlation between interventions from government and the MSEs' growth owned by the youth in the city of Kigali?	Analysis of regression $Y = \beta 0 + \beta 1X + \varepsilon$ $Y = Y = \beta 0 + \beta 1Xi + \beta 46\ Z + \beta 47XZ + \varepsilon i$	Variation in R2 worth Variation in F value $P \leq 0.05$ Change in $\beta 1$

Source: Researcher (2022)

3.10.2 Diagnostic Tests

The linear regression approach consists of four essential elements: linearity, homoscedasticity, normality, and multicollinearity. Regression analysis is conducted after assessing the four previously mentioned elements to confirm that the gathered data meets the prerequisites for regression analysis (Field, 2009). Moreover, these diagnostic tests helped to formulate a linear regression model, which appropriately could reduce the problem of obtaining a biased and unstable score.

3.10.2.1 Linearity

Regression of linearity is generally utilized to present the connection between the independent variables (entrepreneurial interventions supplied by the government) and the dependent variables (MSEs' growth) by matching a linear equation to observed data (Green, 2003). Good research should show the correlation between the variables being studied; that's why the researcher tested linearity. Linearity is always tested using SSPS, and a linear relationship occurs when the sig rate is equivalent to or superior to 0.05. If the value of sig is less than 5, then it is a nonlinear relationship. The study tested linearity using SPSS to establish a straight connection between entrepreneurial interventions delivered by the government and the MSEs' growth.

3.10.2.2 Normality

The normality was tested to check if the data sampled from the target population was normally distributed, and this could be tested using different methods, including statistical tests and diagrams. The normality tests were conducted in the statistical software" SPSS". According to Phoebus (1978), when the assumptions of normality remain invalid, it means that the responses from the test were not reliable. The p-value for this investigation was calculated using the Kolmogorov-Smirnov statistical test. The Gauss rule indicates that the probability should be equal

to or greater than 0.05 for data to be important, and if the probability ratio is less than 0.05, data is insignificant and deviates from a normal distribution, thus declining the null hypothesis.

3.10.2.3 Multicollinearity

Multicollinearity happens when explanatory variables in the study are highly intercorrelated (Gujarati, 2007). This is a problematic issue that could lead to wider confidence intervals, which create less reliable probabilities among independent variables in the model. The multicollinearity makes it hard to make statistical assumptions to evaluate the effects of regressors on dependent variables. Nonetheless, the issue of multicollinearity did not undermine the effectiveness of the regression model during the forecasting or predictive period.

A multicollinearity test was made through tolerance as well as the variance inflation factor (VIF), as noted by Akinwande, et al. (2015). They indicated that tolerance should not be more than 0.1 and variance inflation factors should lie between 1 and 10 if the model has no multicollinearity. A VIF that lies between 5 and 10 indicates that independent variables are greatly linked among them. With a tolerance of no more than 0.1 and if the VIF is more than 10.

3.10.2.4 Homoscedasticty

Homoscedasticity, also known as constant variance, is a statistical assumption that is used in regression analysis when the errors (residuals) of a regression model have a variance that is constant over all possible values of the independent variables (Xavier et al., 2012). This suggests that throughout all levels of the independent variables, the distribution or dispersion of data points around the regression line is constant. For the purpose of determining homoscedasticity, the Breusch-Pagan-Godfrey test is widely employed (Garson, 2013).

This test determines whether the residual variance is the same for all predictors. It assesses if there is strong evidence of heteroscedasticity (variable variance) in the model and is based on the chi-square distribution. The researcher develops a null and alternative hypothesis before running the tests. The null hypothesis presupposes that the error terms' variances are equal, which would indicate homoscedasticity. On the other hand, the alternative hypothesis contends that heteroscedasticity exists because the variances of the residuals are not equal (Scott et al., 2013).

3.10.3 Qualitative Data Analysis

The content analysis method was used to analyze the qualitative data because it effectively identified the most common communication styles among a population and utilized particular elements that have been established in preliminary categories for qualitative studies utilizing quantitative research (Potter & Levine, 1999). The data underwent editing, coding, and grouping into categories, which were then presented narratively. The data analysis involved qualitative methods to bolster the credibility of the findings (Muithya, 2021). Qualitative data was collected from the respondents through various methods, such as interviews, surveys, or closed- and open-ended questionnaires. This data contained textual information, which required content analysis to derive meaningful understandings.

3.11 Ethical Considerations

The letter obtained from Kenyatta University was used to inform the Kigali authorities about the research to be conducted in Kigali. Kigali authorities additionally granted another research permit authorizing data gathering as required by the Rwandan government, which was accompanied by the research authorization granted by Kenyatta University.

The researcher presented himself to the youth-owned MSEs and explained to them how the study findings would help enhance their business conditions. The youth-owned MSEs were promised that the research study had simply academic purposes of expanding knowledge and requested their voluntary involvement and consent. It was promised to the youth-owned MSEs that their information would be kept private. They were given the freedom to leave this study whenever they wanted.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter summarizes the results of the influence of entrepreneurial interventions provided by the government on the growth of MSEs owned by youths. To begin with, descriptive statistics were used to give crucial details regarding these MSEs, and the outcomes of diagnostic testing are also shown to support assumptions. The investigation of study hypotheses aimed at clarifying the connections between elements including entrepreneurial training, loan availability, online social media use, market accessibility, and the growth of MSEs owned by youth was performed using inferential statistics. The study used individual characteristics as moderating aspects to examine the interactions between the growth of MSEs owned by youths and entrepreneurial interventions offered by the government.

4.2 Response Rate

The researcher distributed the questionnaires to 154 youth, owners of MSEs in Kigali.

Table 4.1: Analysis on the Response Rate

Rate of Response	**N**	**%**
Filled and Returned	**154**	**100**
Missing	0.0	0.0
Total	**154**	**100.00**

Source: Research data, 2022

Table 4.1 shows that 154 questionnaires were given out to the MSEs owned by youth in Kigali, Rwanda; the youth filled all questionnaires with a 100% response rate, and they were collected for analysis. According to Mugenda & Mugenda (2012), 50% of the responses gathered are satisfactory for analyzing and interpreting the data that have been collected.

4.3 Demographic Information of the Youth-owned MSEs

The demographic information of the youth-owned MSEs was analyzed and presented based on the following aspects: gender, age, and period the firm has been in existence; the number of workers recruited into the enterprise; and educational level. The research outcomes are proven in the table below.

Table 4.2: Statistical Analysis on Demographic Characteristics

Category	Sub-category	Frequency	Percentage
Gender	Female	65	42.2%
	Male	89	57.80%
	Total	**154**	**100%**
Age	Less than 21 years.	4	2.6%
	21-24 years	21	13.6%
	25-28 years	30	19.4%
	29-32 years	52	33.8%
	33-35 years	47	30.6%
	Total	**154**	**100%**
Level of Education	Primary	29	18.9
	Secondary	54	35.0
	College	39	25.3
	Graduate	26	16.9
	Postgraduate	6	3.9
	Total	**154**	**100%**
Type of Ownership	Sole Proprietorship	148	96.1
	Partnership	6	3.9
	Total	**154**	**100%**
Years of Business in Operation	Under one year	10	6.5
	1-3 years	57	37.0
	4-7 years	49	31.8
	8-11	30	19.5
	Over 11 years	8	5.2
	Total	**154**	**100%**
Types of Business	Agriculture	28	18.1
	Mining	8	5.1
	Service	38	24.7
	Commerce	45	29.2
	Manufacturing	24	15.7
	Energy	11	7.2
	Total	**154**	**100.0**
Number of Employees in the Business	Less than 3	44	28.6
	4-8	39	25.3
	9-13	31	20.1
	14-18	24	15.6
	More than 19	16	10.40
	Total	**154**	**100.0**

Source: Research data, 2022

According to the study's findings, men made up 57.8% of the young people with MSEs, while women made up 42.2%. MSEs are dominantly owned by male youth. The gender distribution among youth-owned MSEs highlighted potential gender disparities in entrepreneurship. This distribution could help promote inclusive growth in the entrepreneurship sector and ensure equal opportunities for all genders. The findings indicated an imbalance in the gender composition, which might also indicate the need for targeted interventions to encourage and support female entrepreneurs, promoting gender equality in the entrepreneurial ecosystem.

The research results show that youth-owned MSEs have a diverse age distribution, with about 30.6% of them being between the ages of 33 and 35, 33.8% between the ages of 29 and 32, 19.4% between the ages of 25 and 28, 13.6% between the ages of 21 and 24, and a smaller group, 6.3%, being under the age of 20 and primarily running family businesses. This extensive age spectrum shows how the study successfully targeted youth over a range of defined age categories, giving this demographic a strong presence in the research analysis. The analysis of the age distribution of youth-owned MSEs could shed light on the participation of different age groups in entrepreneurship. It revealed patterns in the preference for entrepreneurship among younger or older individuals and helped design age-specific support programs to ensure equal opportunities for all age groups and leading to a more diverse entrepreneurial ecosystem.

According to the findings, the educational levels of MSEs held by young people were as follows: 18.9% had completed primary school, 25.3% had completed college-level coursework, 16.9% had earned undergraduate degrees, 35.3% had completed secondary education, and 3.9% had postgraduate degrees. Finally, it was found that the majority of youth-owned MSEs had educational backgrounds spanning from secondary to tertiary degrees. The analysis of the education level of youth entrepreneurs could reveal the correlation between education and

entrepreneurship. It might highlight the influence of education in enhancing entrepreneurial skills and the potential benefits of promoting entrepreneurship education among youth. The education level of youth entrepreneurs could highlight the role of education in fostering entrepreneurship. Identifying gaps in education could lead to the development of relevant training and skill-development programs.

The findings showed that sole proprietorships make up 96.1% of all MSEs, making them the most common type. According to research by Amarteifio and Agbeblewu (2017), sole proprietorships often include fewer legal and tax obligations than partnerships, which can be used to explain why they are more common than partnerships. Proprietorship was an essential demographic aspect to consider when studying youth-owned MSEs. Proprietorship refers to the legal structure of the business and whether the youth-owned MSE is owned and operated by a single individual.

According to the research findings, 60% of MSEs are between the ages of one and three. This is in line with the findings of Karadag (2017), who discovered that 40% of MSEs struggle to continue their commercial activity and that only a small fraction of MSEs survive through five years. The investigation of the duration of the firms' existence could provide insights into the stability and sustainability of youth-owned MSEs. Longer-operating firms might indicate successful businesses that have overcome initial challenges, while newer firms might represent a dynamic and innovative segment.

The study's findings showed that 15.7% of respondents work in manufacturing, 5.2% in the sector of mining, 24.7% in the sector of services, 29.2% in commerce, and 18.2% are involved in agriculture. These results indicate that while 7.2% of MSEs owned by youth are engaged in the energy sector, 53.9% of them work in the trade and service sectors as a whole. MSEs typically

have a workforce of 1 to 49 people, with those with 1 to 3 employees being classified as microenterprises and those with 4 to 49 employees being classified as small businesses by the World Bank. The findings revealed that the types of businesses were crucial demographic aspects to consider when studying youth-owned MSEs. This aspect refers to the nature or industry of the business in which the youth-owned MSEs are engaged.

The findings showed that among MSEs, 28.6% had fewer than three employees, 25.3% had between four and eight employees, 20.1% had nine to thirteen employees, 15.6% had fourteen to eighteen employees, and 10.4% had more than 19 workers. The number of workers employed by youth-owned MSEs could reflect the businesses' scale and capacity for job creation. A larger workforce might signify tremendous growth potential and a favorable effect on job creation. For an understanding of the MSE sector's contribution to employment and economic growth, it is essential to know how many people work for youth-owned MSEs. It could guide policies to foster job creation and address youth unemployment.

4.4 Average Net Profit per Year

The information on the average net profit of MSEs each year was gathered and studied. Figure 4.1 below shows the average net profit of MSEs.

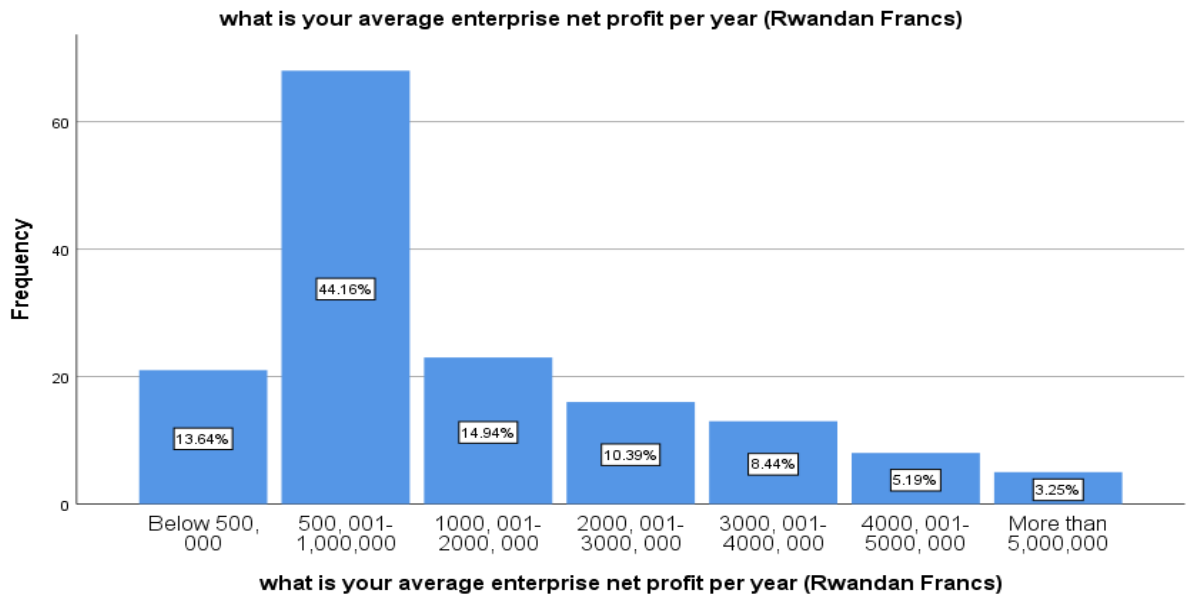

Figure 4.1: Net Profit per Year

Source: Research data, 2022

According to Figure 4.1, 13.64% of micro and small enterprises earn an average net profit below 5,000,000 Rwandan Francs; those earning between 5,000,001 and 10,000,000, accounting for 44.16%; those earning between 10,000,001 and 20,000,000, accounting for 14.94%; those earning between 2,000,001 and 3,000,000, accounting for 10.39%; those earning between 3,000,001 and 4,000,000, accounting for 8.44%; those earning between 4,000,001 and 5,000,000, accounting for 5.19%; and those earning more than 5,000,000 Rwandan Francs Several studies have confirmed these results in various nations, such as Frederic and Thanh (2008).

The findings of the average net profit of MSEs in this study hold significant importance and implications. Firstly, it serves as a crucial indicator of the financial health and viability of these businesses. A positive net profit implies that, on average, the MSEs were generating more revenue than their total expenses, ensuring their sustainability. Secondly, through generating tax revenues

and providing jobs, profitable MSEs support the nation's general economic growth and development. The positive net profit also enhances the competitiveness of these businesses.

Additionally, the findings could inform policymakers about the sector's overall growth, leading to the development of interventions to support less profitable MSEs and foster their growth. Finally, the study's findings provided valuable insights that would guide stakeholders in making informed decisions to promote the sustainable growth of MSEs owned by youth in Rwanda.

4.4 Descriptive and Inferential Statistics

Kaur *et al.* (2018) highlight the use of descriptive statistics to portray the relationships among variables in a sample and to summarize the data in a comprehensible manner. According to their research, conducting descriptive statistical analysis is a crucial preliminary step that should be undertaken before delving into inferential statistics. To measure and evaluate the results, this study used a questions-based Likert scale with a response range of 1 to 5. Descriptive statistics were carried out using SPSS v26, utilizing tables to present the mean and standard deviation. From these tables, recommendations were drawn, and the rating scale was employed to gauge and interpret the items.

4.5.1 Analysis of Entrepreneurial Training

Entrepreneurial training was assessed through various indicators, including training tours, training duration, and the relevance of skills acquired from the training as presented in this section.

Table 4.3: Entrepreneurial Training

Statement	N	Mean	Standard Deviation
Many and regular training improves the growth of the enterprise	154	4.16	.364
The length of training affects the growth of youth-owned MSEs	154	4.14	.351
Skills received from training were relevant to growth of MSEs	154	4.21	.407
Trainings affect youth awareness on how to improve the growth of MSEs	154	4.31	.462
Youth needs to be empowered through regular training	154	4.31	.462
Training gives the skills based enterprises management to the	154	4.21	.407
Lack of skills prevents youths to gain from economic prospects	154	4.26	.440
Aggregate scores for entrepreneurial training		**4.22**	**.417**

Source: Research data, 2022

As indicated in Table 4.3, the combined rating for training tours, training length, and the applicability of skills gained from entrepreneurial training was 4.22, exhibiting a standard deviation of 0.417. The mean range for agree in the Likert scale employed in this study was 3.50 to 4.50, indicating that the mean is similar to the value of 4.00 (agree). Therefore, SMEs agreed that their growth increased after being trained in enterprise management. The standard deviation suggests that the variability in the reaction was modest. The research outcomes are in alignment with the research findings of Joseph and Kibera (2019), who approved that training in entrepreneurship improved the performance of micro and small businesses in Kenya.

4.5.2 Analysis for Access to Credit

Access to credit was measured using the amount of money borrowed, the applicable interest rate for MSEs, and collateral allowable indicators. Table 4.4 shows the statistics for those indicators.

Table 4.4: Accessibility of Credit

Statement	N	Mean	Standard Deviation
Amount of money borrowed affect positively on the growth of MSEs owned by young individuals	154	4.86	.351
Applicable interest rate influences the growth of youth-owned MSEs since it facilitate them to accesing credit.	154	4.05	.209
MSEs are only given credit if the applicant has enough working experience	154	4.40	.671
collateral allowable facilitate youth grow their firms since it facilitate them to accesing credit.	154	4.30	.459
Insufficient cash flow to repay credit given by the loaning organization	154	4.69	.462
Without business assets, youth cannot be granted credit	154	4.90	.306
Aggregate scores for access to credit		**4.570**	**.409**

Source: Research data, 2022

As stated in Table 4.4, the aggregate score for the amount of money borrowed, the applicable interest rate to MSEs, and collateral allowable in credit access was 4.570, with a deviation of standard of 0. .409. The mean range for agree in the Likert scale employed in this study was 4.20 to 4.70, indicating that the mean is similar to the value of 4.00 (agree). Therefore, SMEs agreed that their growth increased after accessing credit. The response variability was slight, as indicated by the standard deviation. The study's findings agreed with those of Osei et al. (2019), who found that credit accessibility enhanced the growth of MSEs in Ghana.

4.5.3 Analysis for Online Social Media

Online social media was measured using access to software applications, level of proficiency with social media, and network size. The descriptive statistics for those indicators are shown in Table 4.5, which is discussed further below.

Table 4.5: Online Social Media

Statement	N	Mean	Standard Deviation
Technology and internet connection has helped youth-owned MSEs running their business because it facilitates my firm to research and interact with customers	154	4.31	.462
Your Firm has accessed information relevant to the enterprise's success	154	4.56	.498
Making cash transactions and online business by using web-Based internet to thrive my enterprise since it is fast and safe	154	4.80	.402
My enterprise can afford the cost of acquiring new web-based social media	154	4.70	.459
Your enterprise can use Whatsapp, Facebook, Twitter, and emails and to make products and service promotion	154	4.86	.351
Acquisition of new web based social media as it is introduced in the market	154	4.80	.402
Growth thrived due to the adaption of web-based social media	154	4.50	.502
Aggregate scores for online social media		**4.64**	**.43**

Source: Research data, 2022

As indicated in Table 4.5, the aggregate score for access to software applications, level of skills with social media, and network size in online social media was 4.64, exhibiting a standard deviation of 0.43. The mean range for agree in the Likert scale employed in this study was 4.10 to 4.50, indicating that the mean is similar to the value of 4.00 (agree). Therefore, MSEs agreed that their growth increased because MSEs were trained and induced to use technology-based online social media. The standard deviation suggests that the variability in the reaction was modest. The outcomes of this research supported the findings of Aronica et al. (2021), who noted that the utilization of social media based internet facilitated the growth of MSEs in Italy.

4.5.4 Analysis for Access to Market

The level of competition, the number of MSEs that acquire tenders, and the number of firms that become members of business clubs were indicators used to determine market access. Table 4.5 presents the descriptive data for these indicators, which are addressed further below

Table 4.6: Access to Market

Statement	N	Mean	Standard Deviation
Your enterprise can easily increase sales and profitability through accessing to market and marketing information.	154	3.80	.616
A firm can make subcontract that my firm cannot handle Itself resulting from limited finances.	154	3.60	.492
An enterprise can increase growth by establishing a business network with other enterprises.	154	4.76	.429
Your enterprise can access market location and exhibition place.	154	4.70	.459
My firm can get tender or procurement from public or Private institution.	154	4.65	.479
Did you access the market or interact with customers via online social media and other marketing websites.	154	4.31	.462
Aggregate scores for access to market		**4.51**	**.40**

Source: Research data, 2022

As indicated in Table 4.6, the aggregate score for level of competition, number of MSEs acquiring tenders, and number of firms becoming members of business clubs in market access was 4.51, exhibiting a deviation of standard from 0.40. The mean range for agree in the Likert scale employed in this study was 3.50 to 4.50, indicating that the mean is similar to the value of 4.00 (agree). Therefore, MSEs agreed that their growth increased due to market accessibility. The standard deviation suggests that the variability in the reaction was modest. Subairu (2016) investigated the role that market accessibility plays in SMEs' expansion in Oman. The research outcomes of this analysis are consistent with those of the current study, demonstrating that increased market accessibility does actually enable MSEs to grow.

4.5.5 Analysis for Individual Characteristics

The work experience, education level, and innovativeness used to assess individual characteristics. Table 4.7 shows the descriptive data for that indicator.

Table 4.7: Individual Characteristics

Statement	N	Mean	Standard Deviation
Undertake or innovate product/ service through research and development	154	4.36	.483
Maintaining/ creating original product	154	4.23	.425
Identification of the new source of raw materials	154	4.31	.462
An enterprise can increase growth resulting from education level	154	4.64	.483
Work experience motivated you to start your own business	154	4.29	.456
Aggregate scores for individual characteristics		**4.6**	**.46**

Source: Research data, 2022

As stated in Table 4.7, the aggregate score for work experience, educational level, and innovativeness in individual traits was 4.6, with a standard deviation of 0.46. The mean range for agree in the Likert scale employed in this study was 4.40 to 4.80, indicating that the mean is similar to the value of 4.00 (agree). Therefore, MSE owners agreed that their growth increased due to the education, working experience, and innovativeness of their owners. The deviation from the standard suggests that the variability in the reaction was modest. The findings of this study corroborated Mastronardi and Romagnoli (2020) assertion that the expansion of MSEs was assisted by the individual characteristics.

4.8 Growth of Micro and Small Enterprises

In this study, the rise in employee numbers and the annual profit increments are utilized for measuring the growth indicators in this study. Table 4.8 presents the descriptive data for these metrics, which will be further discussed in the following sections.

Table 4.8: Growth of Micro and Small Enterprises

Statement	N	Mean	Standard Deviation
Enterprise increases profit in the same proportion of resource input	154	4.20	.402
My enterprise has a higher market share compared to other enterprises	154	4.26	.440
My firm has the ability to control a market due to the profit gained by enterprise	154	4.36	.483
Your business organization can cover all operational expenses	154	4.31	.462
The expansion of my firm can be measured through the new number of workers recruited	154	4.45	.499
My enterprise has awareness of investing in other ventures	154	4.50	.502
Aggregate scores for growth		**4.36**	**.47**

Source: Research data, 2022

As indicated in Table 4.8, the score of mean for net profit was 4.36, with a deviation of standard of 0.47. The mean range for agree in the Likert scale employed in this study was 4.30 to 4.80, indicating that the mean is similar to the value of 4.00 (agree). Therefore, MSEs agreed that their net profit increased after government entrepreneurial interventions. The deviation from the standard suggests that the variability in the reaction was modest.

4.7 Diagnosis Test

The adequacy of sampling, the examination of homogeneity of variances, and the tests of linearity, normality, and multicollinearity postulates of the linear regression model should be measured before carrying out the regression analysis (Field, 2009). The diagnostic assumptions were tested and scrutinized to establish whether the regression model was linearly specified.

4.7.1 Sampling Adequacy

The sampling adequacy test made it possible to decide whether or not the data were appropriate for analyzing each variable separately. The KMO was utilized to gauge the adequacy of the sampling, while Bartlett's test of sphericity played an essential role in evaluating the suitability of

each independent variable in the study. Results greater than 0.50 are acceptable because the KMO measures of sample adequacy should have a score between 0 and 1. The adequacy test was performed as described below.

Table 4.9: Sampling Adequacy Test

Scales	Sampling Adequacy with KMO Measure	Bartlett's Test of Sphericity		
		Approx. Chi-Square	Df	Sig.
			Df	
Training	0.895	2948.721	45	0.000
Credit accessibility	0.831	1099.937	21	0.000
Online social media	0.85	1238.170	28	0.000
Market accessibility	0.647	750.769	6	0.000

Source: Research data, 2022

The KMO values varied from 0.647 to 0.895, as depicted in Table 4.9, and the outcomes revealed that the test of sphericity was less than 0.05. The sample was adequate, according to Charles, Edwin, and Thomas (1979). These KMO and sphericity values have been tested to measure sampling adequacy. The same test was used in the study by Kiveu, et al. (2019).

4.7.2 Linearity

The linearity test shows exactly how two or more variables are related and determines whether or not the relationship is linear (Green, 2003). A significant value for the deviation of linearity was used to test for linearity. For a linear relationship to exist, the significance level must be greater than 0.05. It's a nonlinear relationship when the sig value is less than 5%, and Table 4.10 summarizes the findings about the scrutiny of the linearity.

Table 4.10: Test of Linearity

Variables	Sum squares	Df	Mean Square	F	Sig.
Growth* training	0.294	7	0.042	1.126	0.350
Growth * credit accessibility	0.336	5	0.067	1.838	0.109
Growth *online social media	0.355	6	0.059	1.613	0.148
Growth * market accessibility	0.321	5	0.067	1.754	0.126

Source: Research data, 2022

The p-values for growth were as follows: entrepreneurial training is 0.350, access to credit is 0.109, online social media is 0.148, and access to the market is 0.126, as provided in the linearity test results in Table 4.10. In this study, the research results confirmed a linear correlation between growth and entrepreneurial training, accessibility of credit, use of online social media, and market accessibility, as reported by Mwencha et al (2019)

4.7.3 Normality

The test determines if the residuals are normally distributed, and when normality assumptions are violated, the test's results are unreliable. The residuals' normality has been evaluated using the Shapiro-Wilk statistic test, which is symbolized by the probability ratio. When the probability calculated is less than 0.05, the data is insignificant, and the normal distribution would violate or invalidate the null hypothesis. The outcomes about the assessment of normality are exhibited in the table provided below.

Table 4.11: Normality Test

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Standardized Residual	.054	154	.200	.993	154	.640

Source: Research data, 2022

The result indicated that Shapiro-Wilk is 0.640, and this value shows the significance of the data and means that there is a normal distribution since 0.640 is not fewer than 0.05, demonstrating that there is null hypothesis acceptance; it means that the alternative hypothesis of a non-normal distribution is rejected. This reveals that Shapiro and Wilk's (1965) assumption of normality is met, as previously stated by Pedhazur (1991). The same test has been used by other researchers, such as Dimitrios (2008).

4.7.4 Multicollinearity

In this research work, tolerance and VIF were used for testing multicollinearity (VIF). VIF should be less than or equal to 10, and tolerance should be more than 0.1 (Beddo and Kreuter, 2004). The research findings relating to multicollinearity have been displayed in Table 4.12.

Table 4.12: Test of Multicollinearity

Model	Variables	Tolerance	VIF	Comment
	Training in Entrepreneurship	.654	1.530	No Multicollinearity
	Credit accessibility	.612	1.635	No Multicollinearity
	Online social media	.492	2.034	No Multicollinearity
	Market accessibility	.473	2.115	No Multicollinearity

Source: Research data, 2021

The VIF for training about enterprise management, credit accessibility, adoption of online social media, and market accessibility is between 1.510 and 2.144, and the value of tolerance is more than 0.1, as indicated in Table 4.15. According to Edward and Billy (1982), multicollinearity is not an issue that might cause variables to be unimportant.

4.7.5 Homoscedasticity

The homoscedasticity test proves that the independent variables in research have the same finite variance, whereas heteroscedasticity means that the independent variables have distinct finite variances (Hair et al., 2010). The test of Breusch-Pagan-Godfrey was used to determine whether

heteroscedasticity exists in this study. A significance level higher than 0.05 is recommended. Table 4.14 presents results derived from a homoscedasticity test.

Table 4.13: Test of Homoscedasticity

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	7.221	4	1.805	.598	.907
	Residual	4.307	149	0.029		
1	Total	11.527	153			

Source: Research data, 2022

It is revealed in Table 4.13 that the significance rate is greater than 0.05. According to those results, as well as the findings of Berry and Feldman (1985) and Hair et al**.** (2010), the independent variables in this study have equal finite variance and homoscedasticity.

4.8 Testing of Hypotheses

The research strived to examine if entrepreneurial supports supplied by the government have improved the MSEs' growth and how individual characteristics moderate the nature of the correlation between entrepreneurial interventions provided by the government and the MSEs' growth owned by youth through a linear regression technique at a confidence level of 95%. The five hypotheses examined are presented below:

H_{01}: Training in entrepreneurship does not influence the MSEs' growth in the city of Kigali, Rwanda.

H_{02}: Credit accessibility does not influence the MSEs' growth in the city of Kigali, Rwanda.

H_{03}: The adoption of social media-based online activities does not influence the MSEs' growth in the city of Kigali, Rwanda.

H_{04}: Market accessibility does not influence the MSEs' growth in the city of Kigali, Rwanda.

H_{05}: Individual characteristics do not influence the association between interventions in entrepreneurship supplied by the government and the growth of MSEs in the city of Kigali, Rwanda.

The link between training in entrepreneurship, credit availability, online social media use, market accessibility, and business growth was investigated using regression analysis. The analysis of outcomes is demonstrated in Table 4.14 below.

4.10 Summary of Model

The adjusted R2 demonstrates that the alteration in the firm's growth was caused by equal variation in the entrepreneurial supports delivered by the government, as displayed by the research outcomes in Table 4.14.

Table 4.14: Summary of Model

Model.	R	R Square	Adjusted R Square	Std the Error of the estimate.	R Square Change	Durbin Watson
1	.791[a]	.626	.616	.17001	.626	2.767

The research results provided in Table 4.14 display an adjusted R2 value of 0.626, which indicates a variation of 62% in the SMEs' growth due to entrepreneurial training, accessibility of credit, adoption of social networking, and accessibility of the market, measured with a 95% degree of confidence. It is underlined that these elements account for the 62% shift in the rise of MSEs when all other variables are maintained constant. Table 4.14 indicates that entrepreneurial interventions from the government and the MSEs' growth is strongly correlated, as shown by a correlation coefficient of 0.791.

4.3 Variance Analysis

The statistical significance was assessed using the ANOVA technique, and the study outcomes are shown in Table 4.15.

4.10.2 Variance Analysis (ANOVA)

The statistical significance was assessed using the ANOVA technique, and the research outcomes demonstrated in Table 4.15.

Table 4.15: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1.0	Regression	7.221	4	1.805	62.454	.000b
	Residual	4.307	149	0.29		
	Total	11.527	153			

a. Dependent Variable: MSEs' Growth

b. Predictors: (Constant), training in entrepreneurship, credit accessibility, the use of social networking, market accessibility

Table 4.15's data implies that the value of the probability of 0.05 is greater than 0.000, and the F-statistic of F (4, 149) = 62.454 supports this conclusion. This demonstrates the significant influence that factors like entrepreneurship training, access to funding, use of network media based online, and market accessibility have on the expansion of MSEs owned by young people in Kigali.

Table 4.16: Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	.607	.499		1.21	0.024
	Training in entrepreneurial	.171	.117	0.161	1.46	0.016
	Accessibility to credit	.109	.111	0.112	0.98	0.032
	Online Social Media	.111	.111	0.106	0.82	0.042
	Accessibility to Market	.764	.144	0.697	5.31	0.000

Source: Data Analysis, 2022

a. Dependent Variable: MSEs' Growth

The research findings in Table 4.16 illustrate that entrepreneurial training, credit accessibility, adoption of social networking, and market accessibility have individually improved the growth of MSEs owned the young people. Below is a model formulated from Table 4.16:

MSEs' Growth = 0.60 + 0.17 training + 0.109 accessibility of credit + 0.111 adoption of social networking + 0.764 market accessibility + e. Model 1

H_{01}: Training in entrepreneurship does not have a substantial contribution to the growth of small and micro enterprises in the city of Kigali, Rwanda.

These results, as displayed in Table 1, showed that entrepreneurial training has a major impact on the growth of MSEs, especially those owned and operated by young people. This suggests a statistically significant relationship between these two variables with a coefficient of 0.171 and a p-value of 0.016, both of which are below the 0.05 limit within a 95% confidence range. **H_{01}** was thus refuted, demonstrating that other hypotheses were supported. This illustrates how essential entrepreneurship education is to the growth of MSEs in Kigali. In particular, an increase in growth

of 0.171 percentage points is correlated with a one-unit change in entrepreneurial training. The significance of the variables is highlighted by their p-values being below 0.05.

Brem & Wolfram (2014) cited entrepreneurial training as a key resource for MSEs aiming to expand. The study's results agree with those of earlier studies in the same area. For instance, Mamo (2022) proved that entrepreneurship training might be used to acquire the essential entrepreneurial skills necessary for business growth. Bishno and Semegn (2021) assessed the impact of training on company expansion in Ethiopia and revealed a positive connection, and their studies agreed with the findings of this study. Furthermore, Acquah and Mensah (2015) confirmed that entrepreneurship training might help MSEs increase operational effectiveness and foster growth.

H_{02}: Credit accessibility does not have a substantial role in the MSEs' growth owned by youth in the city of Kigali, Rwanda. The research results, as indicated in Table 4, demonstrate that credit accessibility has a value of 0.109 and a p value of 0.032, a lesser amount than 0.05. This indicated that credit accessibility influences the MSEs' growth in Kigali, Rwanda. Credit accessibility and the MSEs' growth is strongly associated with a 95% degree of confidence. The alternative hypothesis was accepted, while the null hypothesis, **H_{02}**, was rejected. A change in credit availability would cause the growth rate to change favorably in a proportional manner, namely by 109. The ratios of the variables are statistically significant because they are below the degree of significance (P 0.05).

The study's conclusions are in line with those from earlier studies, like Semegn and Bishno (2021), which discovered a strong link between credit and business growth in Nigeria. Multiple investigations, including a study carried out by Acquah and Mensah (2021), have shown that financial resource accessibility is essential for encouraging business growth. Due to the fact that

loan accessibility serves as a conduit for obtaining other essential resources necessary for business growth, as mentioned by Sok et al. (2013), the arguments drawn from the Resource-Based View (RBV) theory support these research findings.

H_{03}: The adoption of social media-based online activities does not stimulate the MSEs' growth in the city of Kigali, Rwanda.

The research results presented in Table 4.16 demonstrate that online social media outstandingly contributed to the MSEs' growth in the city of Kigali, Rwanda, as shown by a probability of.04, which is fewer than.05. The study proved that **H_{03}** was rejected because the alternative was not true. A proportional rise in the utilization of online social media would lead to a growth escalation in MSEs with a coefficient of 0.111. These variables have importance when their P-values are fewer than 0.05. The adoption of online social media significantly improved relationships between MSEs and their customers, and it assisted youth-owned MSEs in making online marketing and sales without spatial boundaries. Salim and Sulaiman (2011) conducted research and confirmed that social media-based internet and firm growth are interrelated, even though some enterprises do not adopt online social media due to face-to-face bargaining cultures. Another study carried out by Sylvie (2012) noted that social networking completely contributes to the expansion of enterprises.

H_{04}: Accessibility of the market does not motivate the MSEs' growth in the city of Kigali, Rwanda.

The study results indicated that market accessibility and MSEs' growth have a strong correlation in the city of Kigali, Rwanda, at a 95% confidence level, whereby = 0.764 and a probability of.000 fewer than.05. The null hypothesis was rejected since H04 was not accepted, which implied that a factor of 0.764 improvement in the firm's growth would result from the market accessibility factor,

as indicated by the regression equation provided. These variables demonstrate statistical significance due to their ratios being below the threshold of significance ($P > 0.05$).

Numerous earlier studies have conclusively shown a substantial correlation between market accessibility and business expansion (Alansari *et al.*, 2013). Accessibility to markets enables businesses to produce enough revenue to support their expansion. According to a generally held belief, the main way to improve the entrepreneurial chances of MSEs and their total contribution to the economy of the nation is through the availability of resources (Schumpeter, 1942). According to Feleke (2015) and Donaldson and Hornbeck (2016), facilitating MSEs' growth and development depends heavily on granting them access to markets.

H_{05}: Individual characteristics do not significantly influence the linkage between the MSEs' growth owned by youth and government entrepreneurial interventions in Kigali, Rwanda.

In this work, models of linear regression were used to test this hypothesis. The first model was utilized to examine the relationship between the dependent variable, the expansion of MSEs owned by young people, and the independent variable, government entrepreneurial interventions. In a regression analysis of the expansion of youth-owned MSEs, the second model examined the impact of personal characteristics, government entrepreneurial interventions, and their interaction with individual characteristics. The outcomes of the regressions for both models are displayed in Table 4.17.

4.4 Test of the Moderation Effect

Table 4.17: Moderator Analysis

Model	R	R^2	Adjusted R^2	Std. Error of the Estimate	R^2 Change	F Change	Sig. F Change
1	.598[a]	.358	.353	.33766	.358	72.368	.000
2	.782[a]	.612	.603	.26440	.254	5.015	.000

Source: Survey data, 2021

a. Predictors: (Constant), Training in Entrepreneurship,

b. Predictors: (Constant), Interventions in Entrepreneurship and Characteristics of Individual, Interventions in Entrepreneurship, Characteristics of Individual

c. Dependent Variable: Growth

As depicted in Table 5, the R2 value of 0.254, an F change of 5.015, and a p-value of 0.000 indicate that individual traits influence the connection between the growth of MSEs and the government's entrepreneurial interventions. Individual characteristics were employed as moderating variables to scrutinize the linkage between interventions in entrepreneurship delivered by the government and the expansion of MSEs.

Table 4.18: Analysis of Variance for Moderator Analysis

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	**Regression**	8.251	1	8.251	72.368	.000[b]
	Residual	14.822	130	.114		
	Total	23.073	131			
2	**Regression**	14.125	3	4.708	67.353	0.000[b]
	Residual	8.948	128	.070		
	Total	23.073	131			

Source: Survey data, 2022

a. Dependent Variable: Growth of Firm

b. Predictors: (Constant), Interventions in Entrepreneurship

c. Predictors: (Constant), Interventions in Entrepreneurship and Characteristics of Individual, Interventions in Entrepreneurship, Characteristics of Individual

According to the study outcomes shown in Table 6, the first model shows significance even when the interaction is not taken into account, with an F-statistic of 1, 131 = 72.368 and a p-value of 0.000b. Additionally, there is still statistical significance in the second model that takes the interaction term into account, with a F-statistic of 3, 131 = 67.353 and a probability-value of 0.000b.

4.7 Coefficients for Moderator Analysis

Table 4.19 displays the precise values of the matrix that the researcher used to build the study's model.

Table 4.19: Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	.223	.284		.788	.432
	Interventions in Entrepreneurship	.953	.067	.758	14.320	.000
2	(Constant)	.099	.275		.360	.720
	Interventions in Entrepreneurship	.798	.077	.635	10.414	0.000
	Characteristics of Individual	.184	.050	.224	3.677	0.000
	Interaction between Interventions in Entrepreneurship and Characteristics of Individual	.264	.197	2.024	1.339	0.000

Source: Research data, 2022

a. Dependent Variable: Growth

The results showed in the model below:

The coefficient matrix's data was utilized to express the equation regression in the model written below.

Growth of MSEs = 0.223 + 0.798 Entrepreneurial Interventions Model 1

Government entrepreneurial interventions exhibit a significant positive impact with a coefficient of $\beta = 0.953$, a t-statistic of 14.320, and a probability of 0.000. This indicates a strong association between the government's entrepreneurial support and the growth of MSEs.

The formula for MSE growth in this model is: MSEs' Growth = 0.099 + 0.798 * government entrepreneurial interventions + 0.184 * individual characteristics + 0.264 * (government entrepreneurial interventions * individual characteristics).

In the second model, the results indicate that government entrepreneurial interventions remain significant, with a coefficient of $\beta = 0.798$, a t-statistic of 10.414 and a p value of 0.000. Additionally, individual characteristics also exhibit significance with a coefficient of $\beta = 0.184$, a t-statistic of 3.677, and $p = 0.000$.

Table 4.20: Criteria-based Decision

Model One	Model Two	Total effect	Conclusion
$\beta_1 = 0.953$ ($p<0.05$)	$\beta_{46} = 0.184$ ($p<0.05$)	$B_{47=}$ 0.264	Moderating variable has considerably contributed in moderating correlation amidst dependent and independent variables

Source: Research, 2022

Decision criteria created by Whisman and McClelland (2005) were used in this study. Therefore, when examining the association between entrepreneurial interventions given by the state and the expansion of MSEs in the city of Kigali, Rwanda, individual attributes were considered moderating elements in the analysis. The coefficient for the interaction term 47, which represents the relations between individual traits and government interventions for entrepreneurship, was 0.264 with a 95% confidence range. According to this, an increase in a person's characteristics is correlated

with an increase of 0.264 units in the expansion of MSEs and the level of government interventions for entrepreneurship.

H_{05}: The characteristics of individuals do not influence the linkage between interventions in entrepreneurship delivered by the state and the expansion of MSEs in the city of Kigali, Rwanda.

The research establishes a link between entrepreneurial interventions offered by the state and the MSEs' growth, especially those owned by the youth in Kigali, Rwanda, by taking individual characteristics into account as moderating factors. These findings imply that **H_{05}** should be rejected as a conclusion. The research outcomes are consistent with earlier research done by Mburu and Njoroge (2018), who also discovered that certain characteristics of people have a positive influence on government interventions in entrepreneurship and MSE development in Kenya.

The research findings were supported by earlier research, which discovered that elements including the level of education, innovation, and work experience impacted the firm's success (Dixon, 2014). Daellenbach ***et al.*** (1999), among other studies, demonstrate that education significantly improved the operational competency and competitiveness of MSEs in Nigeria. The majority of earlier research supports this conclusion.

4.9 Qualitative Data Analysis

Content Analysis as the Data Evaluation Method: The main method used in this qualitative data analysis to examine the information gathered was content analysis. A strong strategy that quickly identifies the dominant communication patterns in a group is content analysis. The study used them as the fundamental coding categories in the field of qualitative research, this method makes use of the diverse variables combined throughout data collecting. This method helped to shed light on the experiences and opinions of youth-owned MSEs on entrepreneurial interventions and its

effects through content analysis, which allowed to identify major themes and trends in the data. The investigation revealed several key themes, one of which was the state's substantial role in helping young people start and grow their own MSEs. The statistics showed that offering entrepreneurial interventions to these businesses had a wide range of benefits.

The Impact of State-Backed Entrepreneurial Training and its Advantages: Training in particular emerged as a crucial element, improving the entrepreneurial skills of youth-owned MSEs by giving them the managerial competencies necessary for achieving economic success. This training was viewed as a growth stimulant, enabling these businesses to flourish in a fierce economic environment.

The Significance of Access to Credit and Financial Resources for Growth of Firms: Qualitative data revealed that business operations were helped by access to financing resources, which were frequently made available through government initiatives. This allowed these businesses to invest in growth and innovation. The analysis also emphasized the significance of loan access as a crucial enabler for the expansion of MSEs owned by young people.

Social Media based on Technology as a Flexible Management Tool: Furthermore, in the context of online firms, technology-based social media was recognized as a dynamic management tool for fostering customer interactions. The qualitative data demonstrated how these platforms were essential to raising consumer connection and engagement, which ultimately helped youth-owned MSEs succeed. The utilization of social media based internet has evolved as a strategic way for businesses to engage with their target consumers in a time when having a strong online presence is essential.

Market Access as a Catalyst for Growth of Firms: Market access has become a crucial component in the expansion of youth-owned MSEs. The qualitative research underlined how these businesses were able to boost their sales volume and experience sustainable growth by having access to more markets. Market access was seen as a key to opening up a larger consumer base, and it was indispensable to the growth and success of these businesses.

Individual Characteristics and their Impact on Growth of Firms: Finally, qualitative research found that people with traits like education, innovation, and a strong work ethic usually helped youth-owned MSEs. These individual characteristics were considered essential for navigating the challenges of entrepreneurship and seizing development opportunities. These characteristics made youth-owned MSEs more capable of overcoming obstacles and advancing their business organizations to success.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The research results provided in this section are derived from the research objectives, which were to look at the influence interventions offered by the government on the growth of MSEs owned by youths in Rwanda. Furthermore, specific objectives aimed to investigate the impact of entrepreneurship training, access to financial resources, utilization of social media-based internet, and market accessibility on the firm's growth specifically MSEs-owned youth in the city of Kigali. The study also delved into the influence of individual characteristic variables on the link between entrepreneurial interventions provided by the government and the expansion of MSE owned by the youth in Kigali, Rwanda. After presenting these findings, the section then proceeds to the conclusions as well as recommendations for upcoming research in this field.

5.2 Summary

Business organizations especially micro and small firms make a crucial influence to the wealth of a country by generating income for enterprise owners, government revenue, job creation, and an equal distribution of national wealth. However, the MSEs that received government entrepreneurial interventions were able to achieve growth even if they were experiencing some challenges, such as fierce competition from well-established larger firms, the need for adaptability to rapidly changing customer preferences, and multinational corporations, which hindered their growth. The MSEs in Rwanda contributed 41% to the state's GDP in 2016, and that contribution ratio is still small compared to the 90% of MSEs operating their economic activities. Government entrepreneurial interventions were approved as a strategy that can enable MSEs to survive and enhance their growth.

The research objective was to ascertain how interventions in entrepreneurship given by the state improved the growth of MSEs owned by young people. The RBV Theory served as the main research theory, and the theory of MSE support offered by Gibb, the technology adoption theory, and the theory of firm growth served as complements of three theories. Positivism served as the main research philosophy. 154 MSEs in Kigali, Rwanda, out of a target population of 252 MSEs, participated in the research. Explanatory and descriptive research techniques have been utilized. Data were gathered utilizing a semi-structured questionnaire, and inferential and descriptive statistical analysis were utilized for understanding and clarify.

The research objective number one was to investigate the influence of training in entrepreneurship on the firm’s growth specially MSEs owned by young people in Kigali, Rwanda and the study found that the training was significant in the development of these enterprises. This is because these government interventions assisted MSEs in acquiring critical abilities in business planning, financial management, marketing strategies, and customer relations. The knowledge gained has enabled youth-owned MSEs to make better decisions, limit risks, and attain growth. As a result, MSEs that received entrepreneurship training were able to display better rates of business growth, increased revenue, and improved competitiveness, all of which contribute considerably to Rwanda's overall economic development. The research results demonstrated the acceptance of the alternative hypothesis, and rejecting the null hypothesis means not accepting it.

As per study objective number two, the study scrutinized the starring role of accessibility of credit on the growth of MSEs owned by young people in Kigali, Rwanda and access to credit has proven to be a crucial enabler of growth for Kigali's youth-owned MSEs. The government's entrepreneurial interventions made it easier for MSEs to get credit. These readily available loans have been used by youth-owned MSEs to invest in technology, machinery, inventory, and

personnel, consequently expanding their production capacities and operational efficiency. Furthermore, lending has enabled these MSEs to enter new markets. The favorable relationship between loan availability and MSE growth is clear, since MSEs may confidently explore growth possibilities without being constrained by financial limitations. As a result, the sector benefits overall, producing additional job opportunities and fostering the economic progress of the nation. The findings demonstrated the rejection of the null assumption.

As stated in study objective number three, the study explored the influence of social media-based internet on the growth of MSEs owned by young people in Kigali, Rwanda and the study found that the growth of MSEs in Kigali has been considerably impacted by online social media. Online social media gives MSEs new ways to interact with their target market. Since social media enables MSEs to access a large clientele without having to make significant financial efforts, it serves as a cost-effective marketing tool. MSEs that effectively utilized online social media platforms experienced higher customer retention and sales volumes. As a result, MSEs in Kigali observed accelerated growth and sustainability in the dynamic digital landscape. The outcomes demonstrated that the alternative hypothesis had been accepted and that the null hypothesis had been rejected.

As per the study objective number four, the study examined the influence of accessibility of market on the growth of MSEs owned by young people in Kigali, Rwanda and it has been found that market access has significantly impacted the development of MSEs owned by young people in Kigali. The revitalization of supportive policies and infrastructural development has facilitated trade and reduced barriers for MSEs seeking to access local and international markets. This market access translates into heightened sales volumes and revenue streams for MSEs. Moreover, market accessibility allows MSEs to explore diverse customer segments and respond promptly to

changing market demands. Consequently, market accessibility created a favorable ecosystem for business growth and economic development in Kigali, Rwanda. The findings demonstrated that the null assumption was rejected.

Finally, considering the final objective, the study investigated the influence of individual characteristics in moderating the correlation between entrepreneurial interventions delivered by the government and the growth of MSEs owned by young people in Kigali, Rwanda. The study result revealed that the influence of entrepreneurial interventions delivered by the government on the growth of MSEs owned by young individuals in the city of Kigali, Rwanda, was positively and significantly impactful both before and after considering individual characteristics. The study highlighted that MSEs with working experience, education, and innovativeness were more likely to achieve growth. As a result, the research concluded that personal characteristics positively moderate the link between entrepreneurial interventions provided by the government and the expansion of MSEs owned by young individuals. The results indicated that the null assumption was disproved, which means that the alternative assumption was correct.

5.3 Conclusions

According to the study's objectives, the research findings indicated a noteworthy influence of MSEs on the nation's economy. Furthermore, the investigation revealed that MSEs that had obtained government interventions for entrepreneurial endeavors not only managed to survive but also progressed from their initial stages to becoming fully developed businesses.

As per study objective number one, the study evaluated the role of training in entrepreneurship on the growth of MSEs owned by young people in Kigali, Rwanda and it has been discovered that the growth of MSEs has been significantly influenced by training in the city of Kigali. Therefore,

entrepreneurial skills are crucial for MSEs owned by young people to manage their business operations successfully. This is due to the fact that such training offers useful information in a variety of fields, such as accounting, technology, customer service, and reporting, all of which are advantageous for the development of MSEs. It is essential to identify and customize the training in accordance with the unique needs of the MSE sector to maximize its advantages.

The research's second objective examined the influence of accessibility of credit on the growth of MSEs owned by young people in Kigali, Rwanda. The research results also showed that MSE growth requires a strong financial base, which includes access to loans. The expansion of these businesses is greatly aided by having readily available and affordable sources of financing. For their operations to be productive and efficient, micro and small firms are in need of a range of financial resources. This improves the competitive edge of the business, allowing it to perform better than its competitors and foster overall business success.

As stated in t study objective number three, the study investigated the influence of social media-based internet on the growth of MSEs owned by young people in Kigali, Rwanda. The study revealed that business establishments and the expansion of MSE are significantly shaped by the presence of online social media. It was observed that for MSEs to effectively compete in the market, they need to adopt technology-driven online social media strategies. This is because utilizing social media-based websites for product promotion positively influences the growth of MSEs. Given the advantageous impact of online social media on business growth, MSEs should utilize it as a valuable tool for connecting with and engaging customers.

As per study objective number four, the study determined the influence of accessibility of market on the growth of MSEs owned by young people in the city of Kigali, Rwanda. The research's

findings revealed that access to the market has a favorable effect on development of businesses as well as the expansion of MSEs. The study proved that companies with market access achieved higher sales turnover and profitability, ultimately contributing to their long-term sustainability.

Lastly, considering the final objective, the study investigated the influence of individual characteristics in moderating the correlation between entrepreneurial interventions delivered by the government and firm's growth specifically MSEs owned by young people in Kigali, Rwanda. It was established that government entrepreneurial programs positively impacted the progress of MSEs owned by youth in Kigali, Rwanda. Even when individual characteristics were introduced as variables that influence the association between interventions in entrepreneurship offered by the state and the expansion of MSEs owned by youth, the association remained favorable. The research indicated that MSEs were more inclined to experience growth if they possessed job experience, education, and innovativeness. The study ultimately concluded that personal attributes exert a positive moderating influence on the connection between entrepreneurial interventions delivered by the government and the expansion of MSEs owned by young individuals.

5.4 Contribution to Research Knowledge

This research assessed how government interventions in entrepreneurship impact the expansion of firms, specifically MSEs owned by youth in Kigali, Rwanda. The majority of earlier studies studied public entrepreneurial interventions and MSE growth; on the other hand, all studies were conducted outside of Rwanda, and most of the studies had methodological, contextual, or conceptual gaps in assessing the research variables.

The research contributed to the study's knowledge by investigating various research hypotheses and discovering that various types of government entrepreneurial interventions, such as training,

variables including the availability of loans, social media usage online, and market accessibility, have an effect on business growth in Kigali, Rwanda. However, this connection is positively moderated by personal traits such as education, working experience, and innovativeness.

The conceptual context illustrated the association between entrepreneurial interventions given by the government and the growth of young individuals who owned MSEs and how individual characteristics influence the link between entrepreneurial supports supplied by the government and the growth of MSEs. The conceptual framework would help researchers do additional investigations in this area.

Various ideas that support the research hypotheses have been presented and evaluated. With this research, RBV theory demonstrates how governments have embraced entrepreneurial interventions in entrepreneurship as an effective tool for achieving higher growth through providing heterogeneous resources needed by MSEs.

The theory of resource-based views serves as the foundation for this research. The theories of technology adoption, Gibb's MSE support, and firm growth give credence to the RBV theory. The RBV theory explains how having access to resources may help MSEs grow. Gibb's MSE support theory identifies the support services needed for the MSEs to achieve growth. The theory of technology adoption outlines the steps firms should take when considering the adoption or rejection of online social media that relies on technology. Finally, the theory of firm growth demonstrates how MSEs can grow universally and gain a competitive edge through access to resources.

5.5 Recommendations

According to the study objectives, recommendations were made for improving MSE programs. There have been recommendations made to improve programs for MSEs in alignment with the objectives. The study's concluding observations showed that MSEs' learning of entrepreneurial skills aids in efficient business administration. It is suggested that both MSEs and their workers have access to entrepreneurial training since it allows them to develop a variety of firm management skills. Also, including entrepreneurship classes in the curricula at all educational levels might benefit their firm's long-term viability.

Micro and small businesses need to be able to get financing, whether it comes from formal or informal sources, in order to reach their full growth potential. The study's findings highlight the important role that loan availability played in MSE expansion. Consequently, the research suggests that the state could take steps by developing and implementing a financial plan to support MSEs. The creation of a specialist fund offering flexible lending options catered to MSEs' demands could be an effective strategy.

According to the findings, online social media based on technology substantially improved the expansion of MSEs. MSEs could make better use of online social media as a marketing strategy. All MSEs should be involved in this strategy to promote a client retention mindset. MSEs are encouraged to utilize social media-based internet in their business activities as a more effective approach to communicating with customers, remaining competitive, and ensuring long-term market viability.

The study's outcomes proved that market accessibility significantly influenced the growth of MSEs. To facilitate the movement of products and services to various markets, the research

suggests that the government and its partners prioritize infrastructure improvements, such as improving transportation networks. Furthermore, fostering partnerships with larger companies is advisable, as MSEs grant access to broader markets and distribution networks.

5.6 Recommendation for Further Studies

This study looked into how government interventions for entrepreneurship impacted the expansion of MSEs, especially those owned by youth in Kigali, Rwanda. The study also used individual characteristics to examine the link between entrepreneurial interventions delivered by the government and MSE growth.

The study was restricted to Kigali's MSEs. Future researchers are encouraged to undertake similar studies involving all micro and small businesses in Rwanda. The study's growth indicators were net profit and an increase in employees, but future research could include other measurements such as firm age, company size, and employee satisfaction.

Individual characteristics were the factors capable of influencing the link between entrepreneurial interventions from the government and MSE growth. In this study, education was utilized as a measure of individual characteristics. Other factors that were beneficial to business growth were working experience and innovativeness. Future studies should investigate how government entrepreneurial interventions affect MSE growth, taking into account the role that passion and optimism play as potential influences in this relationship.

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APPENDICES

Appendix I: Questionnaires

Respondent,

I am Benjamin Niyonsaba, a student at Kenyatta University; I am studying in Masters of Science Degree in Entrepreneurship Development. This research was conducted since I was assumed to partially conduct it in consideration of receiving a Degree of Masters in Entrepreneurship Development, I am conducting a research titled the growth of MSEs owned by young people and entrepreneurial interventions delivered by the government in Kigali, Rwanda. This questionnaire provides a set of organized questions seeking responses on the given topic. Please after reading prudently and systematically the listed questions, write fairly down your answers in the provided spaces. All answers given will stay confidential and used decently for the study purposes. However, you voluntarily participate in this research.

QUESTIONNAIRES FOR YOUTH-OWNED MICRO AND SMALL ENTERPRISES

SECTION A: Demographic data & status

PERSONAL INFORMATION: Kindly tick where applicable or write brief explanations

Part A: Individual Data

1. Sex: Male [ ] Female [ ]

2. Age: Under 21. years [ ] 21-24. years [ ] 25-28. years [ ] 29-32. years [ ] 33-35. years [ ]

Part B: Enterprise Information.

3. Proprietorship:

a). Sole ownership [ ]

b). Partnership [ ]

c. Others [ ]

4. Please choose the proper option to display how long the business has been operating.

Fewer than 1 year [ ]

1- 3years [ ]

4- 7 years [ ]

8- 11 years [ ]

Over 11 years [ ]

5. Indicate sort of business do you run?

a). Agriculture [ ]

b). Mining [ ]

c). Service [ ]

d). Commerce [ ]

e). Manufacturing [ ]

f). Energy [ ]

h). Others (Specify ……..

6. Indicate a number of workers currently engaged by your enterprise?

Less than 3 [ ]

4-8 [ ]

9-13 [ ]

14-18 [ ]

More than 19 [ ]

SECTION C: Entrepreneurial Training

Indicate by ticketing your opinion regarding entrepreneurial training provided by government or its affiliated institutions.

7. i) How many entrepreneurial trainings have you attended before or after starting your business?

One [ ] Two [ ] Three [ ] Above 3 [ ]

ii) What was the duration of entrepreneurial trainings?

a. Under 1 month [ ]

b. 1 – 3 Months [ ]

c. 4 – 6 Months [ ]

d. More than 6 Months [ ]

8**.** Fill the table below and show by ticketing (√) your views regarding how entrepreneurial training affects growth of your business organization?

No	Statements	Strongl y agree.	Agree	Undecided	Disagree	Strongly disagree
1	Increase in number of trainings improves growth of enterprise.					
2	The length of training affects the growth of youth owned MSEs					
3	Skills received from training was relevant to growth of enterprise					
4	Training affects youth awareness on how to improve growth of micro and small enterprise					
5	Youth needs to be capacitated on how to manage micro and small enterprise through regular training					
6	Training strengthens youth owned micro and small enterprise and makes them more competitive					
7	Lack of entrepreneurial skills impedes youth to access to available opportunities					

SECTION D: Access to Credit

9. i) Did your enterprise get any credit

Yes [ ] No [ ]

ii) If yes, specify the financial establishment where you were able to access credit?

a) SACCOs [ ] b) Rwanda Development Bank [ ] c) Business Development Fund [ ]

d) Micro finance institutions [ ] e) Bank credit [ ]

f) Women Enterprise Development Fund [ ]

g) Own capital /savings [ ] i) Credit from family [ ]

10. Were you contented with the credit given to your enterprise?

a) The amount of credit was adequate. [ ]

b) The amount of credit was less of what was borrowed [ ]

11. Which factors impended youth owned micro and small enterprise from accessing to credit?

a) Procedures and rules linked to credit [ ]

b) Lack of knowledge about credit sources [ ]

c) Lack of collateral security [ ]

d) All of above [ ]

e) Other ……

12. Indicate by ticketing (√) your opinions concerning cost of accessing credit was?

No	Statements	Very high	High	Moderate	Low	Very low
1	Price of credit					
2	Amount of interest charged on credit					
3	Changing interest rates					
4	Total of credit processing fee					

13. Explain how level of access to credit effects growth of firm? Please tick where appropriate.

No	Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Credit accessibility influence positively growth of MSEs					
2	Lower or lack of experience limits youth to access to credit					
3	Credits are given to micro and small enterprise if borrower has enough experience in any business industry					
4	It is possible for youth to be given an extended grace period for credit repayment					
5	Lack of skills in terms of business planning and management is likely to reduce chance of getting credit					
6	It is easy for youth to be given credit without enough business assets					

14. Did you get any party of collateral from BDF or other public institution?

a) Yes [ ] b) No [ ]

15. If yes, indicate percentage of collateral given from BDF or public institution?

a) Below 20% [ ] b) 20% [ ] c) 25% [ ] d) 30% [ ]

f) 35% [ ] g) 40% [ ] h) 45% [ ] i) Above 50% [ ].

4E: Online social Media Adoption

16. Does online social media affect growth of enterprise? Please tick as appropriate

No	Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Technology based online social media has helped youth owned enterprise to run their business					
2	making online business using online social media has helped my enterprise since it help to reach to many customers					
3	My enterprise can afford the cost of online social media					
4	Your enterprise promotes products/services via Whatsapps, youtube Facebook, Tweeter Instagram, linkedin and among others					
5	My enterprise has capacity to acquire new online social media rapidly as it is launched in the market					
6	Growth of enterprise has prospered due to adaption of technology based online social media					
7	It is expensive to acquire new technology based online social media which has been introduced in the market					

18. What challenges have you encountered for adopting and use web based social media in your enterprise?

……

……

19. What benefits have you enjoyed from adopting and use web based social media in your enterprise?

……

……

Section F: Markets Access

20. To what extent markets access affects growth of enterprise? Please choose the proper option

Statement	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
Your enterprise can easily access to market and marketing information					
Your enterprise has ability of making subcontract other businesses that firm cannot handle due to its inadequate moneys					
Your enterprise has ability to establish a business network with other enterprises across the country for stance trade unions, trade show and entrepreneurs mentorship forums					
Your enterprise can access market location and exhibition place					
Did you get any tender or procurement from public or private institution					
Did you access market or interact with customers via online social media and other marketing websites					

21. Your main rivals are abundant and they are nearby your enterprise? (Tick one)

a) 2-9 [ ] b) 10-19 [ ] c) 20-29 [ ]

d) 30-39 [ ] e) 40-49 [ ] f) 50-100 [ ]

g) Over 100 [ ]

22. Explain briefly other market challenges your enterprise has faced in trying to access the market?

……

……..

Section G: Individual Characteristics

Work Experience

23. Indicate number of years have you worked in business industry you are operating in? (Tick one)

Below 2 years [ ] 3- 6 years [ ] 7- 10 years [ ] Over 11 years [ ]

24. Give your motivation in starting your own business? (Tick one)

a) Easy to start and run [ ]

b) Desire to exploit an opportunity [ ]

c) Inherited [ ]

d) Experience and skills [ ]

e) Had talent for it [ ]

f) High growth potential [ ]

g) High stable return [ ]

h) No completion [ ]

Level of Education

25. Indicate your qualification of education? Please tick as appropriate

a) Primary [ ]

b) Secondary [ ]

c) Tertiary college [ ]

d) University level [ ]

e) None [ ]

Innovativeness

26. Services and goods offered by your firm are gradually enhanced to gain market share? (Respond to all Factors)

No	Statements	Strongly Agree	Agree	Neutrally Agree	Disagree	Strongly Disagree
1	Carry out research and development with goal of evaluating the improvement of product/ service					
2	Maintaining original product					
3	Identification of new source of raw materials					
4	level of your academic qualification has an effect on firm growth					
5	Does your working experience affects growth of enterprise					

SECTION H: Government Entrepreneurial Interventions

28. Give your explanations about the effect of interventions in entrepreneurship offered by the government on growth of enterprises?

Please tick where appropriate

No	Statements	Strongly agree	Agree	Undecided	Disagree	Strongly disagree
1	Government entrepreneurial interventions play a role in improving the reputations of enterprises held by youth					
2	Government has put in place entrepreneurial interventions aimed at building capacity of youth-owned micro and small enterprises.					
3	Government entrepreneurial interventions strengthen MSEs as well as to empower their competitiveness					
4	Government has induced stakeholders in order to help youth starting and expanding their business organization					
5	There institutional structure conducive to youth and their micro and small enterprises has been created?					
6	The training has increased knowledge of firms					
7	Requirements for accessing credit are favorable to the firms					
8	were measures put in place to protect and facilitate firm participating with equal opportunity or honest competition in the market					
9	Government attempted to control commercial endeavors in order to protect youth-owned MSEs					

SECTION J: Growth of MSEs owned by Youth

29. Kindly indicate how your business is doing or business current situation?

a) Very high [ ] b) High [ ] c) Moderate [ ] d) Lower [ ] e) Very low [ ]

30. What is your disposable profit per year? In Rwandan Francs (RWF)

Below 500, 000 [ ]

500, 001- 1,000,000 [ ]

1000, 001-2000, 000 [ ]

2000, 001-3000, 000 [ ]

3000, 001-4000, 000 [ ]

4000, 001-5000, 000 [ ]

More than 5,000,000 [ ]

31. Indicate by ticketing (√) your opinions relating to growth of your business organization.

No	Statements	Strongly Agree	Agree	Neutrally Agree	Disagree	Strongly Disagree
1	my enterprise gets profit equivalent to input materials expended					
2	My enterprise has high market share than other enterprises					
3	Satisfactory profit facilitates my enterprise to control a great market share					
4	Positive change in profit of my enterprise is measured by increase in new number of workers recruited					
5	My enterprise has awareness of investing in other ventures					
6	Your business organization can cover all operational expenses?					

Appreciation for your contribution to this study

Appendix II: Research Authorization

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 020-8704150

Our Ref: D58EA/27408/2019

DATE: 3rd September, 2021

The Mayor of Kigali City,
Cc: Social and Economic Affairs Office
KIGALI – RWANDA.

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR MR. BENJAMIN NIYONSABA – REG. NO. D58EA/27408/19

I write to introduce Mr. Benjamin Niyonsaba who is a Postgraduate Student of this University. She is registered for M.Sc. degree programme in the **Department of Business Administration.**

Mr. Niyonsaba intends to conduct research for a M.Sc. thesis Proposal entitled, **"Government Entrepreneurial Interventions and Growth of Youth Owned Micro and Small Enterprises in Kigali City, Rwanda."**

Any assistance given will be highly appreciated.

Yours faithfully,

PROF. ELISHIBA KIMANI
DEAN, GRADUATE SCHOOL

Appendix III: Research Permit

Republic of Rwanda
City of Kigali

Ref. nº 14407/07.01.16/21

Kigali, on... 05 OCT 2021

Mr. Benjamin NIYONSABA
Emai: niyonsabeni3@gmail.com

Dear Sir,

Re: Your research authorization

Reference is made to your letter dated on 23rd September 2021 requesting for research permit of data collection in the City of Kigali on **"Government entrepreneurial interventions and growth of youth owned micro and small enterprises in Kigali City Rwanda";**

We would like to inform you that your request is hereby granted. However, before starting your research, you must first introduce you to the department of **Human Resource and Administration** to be guided.

Sincerely,

UMUJYI WA KIGALI

Joseph NIYONGABO
Director General of Corporate Services

Cc:
-City Manager of the City of Kigali
KIGALI

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