



Mechanisms of Mitigating Impediments to Locally-Owned Small-Scale Enterprises' Growth: The Case of Maseru and Roma in Lesotho

By

Thabo Mokopanela

A Dissertation Submitted to The Department of Sociology, Anthropology and Social Work
in Partial Fulfilment of the Requirements for Master of Science in Industrial Sociology.

National University of Lesotho
Roma

July 2024

DECLARATION

Name: Thabo Mokopanela


Student Number: 201003305

Degree: Master of Science in Industrial Sociology

I declare that Mechanisms of Mitigating Impediments to Locally-Owned Small-Scale Enterprises' Growth: The Case of Maseru and Roma in Lesotho is my own work and that all sources that I have used or quoted have been indicated and acknowledged by means of complete references.

A handwritten signature in black ink, consisting of a large, stylized letter 'T' with a circular flourish above it, positioned above a horizontal line.

Signature

A handwritten date in black ink, written as '01/09/2024', positioned above a horizontal line.

Date

CERTIFICATION

This is to certify that this dissertation has been read and supervised as having met the requirements of the Faculty of Social Sciences, National University of Lesotho, for the award of the Degree of Master of Science in Sociology.

PROF EMEKA E. OBIOHA

Principal Supervisor

Co-supervisor

Head of Department

External Examiner

ACKNOWLEDGEMENTS

First and foremost, I would like to thank my Heavenly Father for the gift of life and the showers of blessings throughout my research work to complete the dissertation successfully. He has indeed been my pillar of strength.

I would also like to express my deep and sincere gratitude to my research supervisor Prof E.E Obioha. Indeed, Prof has provided me with an opportunity to do research and provided invaluable guidance throughout this research. His vision, sincerity, dynamism and motivation have deeply inspired me in this academic journey. He has taught me the methodology to carry out the research and to present the research works as clearly as possible. The assistance has been insurmountable in helping me earn my Master's Degree with a deeper sense of understanding and accomplishment. His expertise and unwavering commitment to my academic success inspired me to strive for excellence in all aspects of my research. It was a great privilege and honor to work and study under his guidance. I am extremely grateful for what he has offered me.

For their invaluable support to complete this study, a special thanks also should be directed to the following people:

1. Dr. Kali for encouraging me to study and contributing to the person I am today.
2. My former managers Mrs. Lerato Kolisang and Mrs. Mamoetsi Tlali for their support throughout my academic journey.
3. My mentors Mrs. Tholoana Ntene, who inspired and provided emotional and academic support, and Dr. Sengai, for his unwavering support and guidance in my academic journey.
4. My aunt Mrs. Ntsoelikane and my cousins; thank you for your continued support, love and encouragement
5. To my classmates and friends, I am grateful for your contributed ideas and perspectives that enriched this thesis. Thanks once again for shaping this project and enhancing my learning experience. A special thanks also goes to 'Mateboho Lebesa, who was always available to assist me. Your inputs were highly appreciated.

ABSTRACT

Local owned small-scale enterprises play a vital role in fostering economic growth, job creation and community development. The success and vitality of small-scale enterprises are recognized as important elements in measuring an economy's progress and future development. The objective of the study was to ascertain the mitigating mechanisms for resolving the impediments of locally owned small-scale enterprises' growth in Lesotho. This study used primary data from the target population of locally owned small-scale entrepreneurs operating in various sectors across the Maseru town and Roma. 54 participants were drawn from local small-scale entrepreneurs. From the 54 sample size, 40 was quantitative and used stratified and simple random sampling then the remaining 14 was qualitative and used purposive and snowballing sampling.

The data was analyzed through the use of Statistical Package for Social Sciences (SPSS) software, which generated the findings in the form of graphs and descriptive statistics. The study used two theoretical frameworks; which are entrepreneurship ecosystem and the theory of resource based view. These theories are the Interactive Theory and the Social Exchange Theory. The research findings revealed that Basotho's businesses are characterized by several key challenges which hamper their growth.

The study identified impediments such as financial impediments, which saw many local small-scale businesses not growing due to lack of capital. It was discovered that securing funding for business operations, expansion or unexpected expenses was difficult for small-scale enterprises, especially because they lacked a solid credit history or valuable collateral. Market challenge was another setback as businesses often competed with each other and had limited budget for marketing and advertising and the efforts made others spread their goods in different points of sales across the town. However, most of the respondents did not consider advertising and using social media to attract new market.

Lack of business literacy was another impediment found to hamper with the growth of local businesses. Many businesses struggled to invest in and adopt new technologies that can improve efficiency, productivity and customer experience. Poor infrastructural developments which included insufficient storage and warehousing facilities and lack of electricity, water supply and seasonal times can limit the operations of small-scale businesses and increase operational costs thus running them into deficit. Many respondents pointed out that bureaucratic impediment saw the government of Lesotho playing a minimal intervention in boosting the locally owned small-scale businesses.

However, the study also found that some small scale enterprises have developed coping strategies to overcome these impediments. Among others, it was discovered that some businesses formed partnerships with other businesses and also with accessing government support through relevant ministries. Furthermore, it was discovered that the businesses have developed a range of coping strategies, including the use of financial support in the form of workshops and seminars; collaborations and bulk-buying and participation in government programs. The findings of this research further highlighted the importance of supporting the development of locally owned small-scale enterprises in Lesotho. In order to do so, it is essential to provide these businesses with the resources and support they need to overcome the challenges they face.

In addition, this research also examined the effect of government intervention on mitigating growth impediments faced by locally-owned small-scale enterprises in Lesotho. The findings illustrated that government programs and initiatives can provide some support to small-scale enterprises but the overall impact is limited because of government-business relationships. Most respondents pointed out that Lesotho laws are not sufficiently stretched to accommodate the nature of their businesses.

Keywords: Locally-Owned Small-scale enterprises, challenges faced by locally-Owned Small-scale Enterprises, mitigating mechanism

LIST OF ABBREVIATION

BEDCO – Basotho Enterprises Development Corporation
BOI – Bank of Industry
CIO - Chief Information Officers
GDP - Gross Domestic Product
GEM - Global Entity Management
IT - Information Technology
KFW - Kreditanstalt Fur Wiederaufbau
LNDC- Lesotho National Development Corporation
MSMEs –Small Medium-sized Businesses
NUL – National University of Lesotho
OECD- Organization for Economic Co-operation and Development
PPCs – Public Private Consultations
RBV - Resource-Based View
SBA - Small Business Administration
SPSS – Statistical Packages for Social Sciences
Software
SMBA – Small and Medium Business Administration
SMEs – Small and medium-sized Enterprises
UK - United Kingdom

Table of Contents

DECLARATION	i
CERTIFICATION	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT.....	iv
LIST OF ABBERVATION.....	iix
LIST OF TABLES.....	ix
LIST OF FIGURES	iix
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem Statement.....	3
1.3 General Objective.....	5
1.4 Specific Objectives	5
1.5 Research Questions	5
1.6 Justification of the Study	6
1.7 Chapter Outline	7
CHAPTER TWO	8
LITERATURE REVIEW AND THEORETICAL FRAMEWORK	8
2.1 Introduction	8
2.2 The role of Small-scale enterprises	8
2.3 Challenges Faced by Locally-Owned Small-Scale Enterprises	9
2.3.1. <i>Lack of Access to Finance</i>	9
2.3.2. <i>Limited Market Access</i>	9
2.3.3. <i>Inadequate Infrastructure</i>	10
2.3.4. <i>Skills and Capacity Constraints</i>	10
2.4 Mitigating Mechanisms for Growth Impediments	11
2.4.1. <i>Financial Inclusion Programs:</i>	11
2.4.2. <i>Market Linkages and Networking</i>	11
2.4.3. <i>Infrastructure Development:</i>	12
2.4.4. <i>Skills Development and Training</i>	12
2.4.5. <i>Policy Reforms and Advocacy</i>	12

2.5 Theoretical Framework.....	28
2.5.1 <i>Entrepreneurship Ecosystem Theory</i>	28
2.5.2 <i>The theory of Resource-Based View</i>	29
2.6 Conclusion	33
CHAPTER THREE.....	35
RESEARCH SETTING AND METHODOLOGY.....	35
3.1 Introduction	35
3.2 Study Area.....	35
3.3 Study Approach.....	39
3.4 Population of Study	39
3.5 Sampling Techniques and Sampling Size	39
3.6 Data Collection Methods	40
3.6.1 <i>Survey</i>	40
3.6.2 <i>In-depth Interview</i>	40
3.7 Data Analysis	41
3.8 Rigour of the study	42
3.8.1 <i>Triangulation</i>	42
3.8.2 <i>Conformability</i>	42
3.8.3 <i>Transferability</i>	42
3.9 Ethical Considerations.....	43
3.9.1 <i>Confidentiality and Anonymity</i>	43
3.9.2 <i>Beneficence and Maleficence</i>	44
3.9.3 <i>Fidelity and Autonomy</i>	44
3.9.4 <i>Dignity and Rights in Participation</i>	44
3.10 Conclusion	45
CHAPTER FOUR	46
DATA PRESENTATION AND INTERPRETATION.....	46
4.1 Introduction	46
4.2 Socio-Demographic Profile of respondents	46
4.3 Impediments of local owned Small-scale enterprises Growth in Lesotho	51
4.3.1 <i>Comparative analysis of business impediments in Roma versus Maseru town</i>	55

4.3.2	<i>Comparative analysis of business impediments between Gender</i>	56
4.3.3	<i>Comparative analysis of business impediments by business ownership</i>	57
4.3.4	<i>Comparative analysis of business impediments by educational level</i>	57
4 3.5	<i>Comparative analysis of business impediments by Years of business duration</i>	58
4.4	Coping strategies of local owned Small-scale enterprises to realize Growth	59
4.4.1	<i>Financial coping strategies</i>	59
4.4.2	<i>Market-related Coping Strategies</i>	60
4.4.3	<i>Production and Sale Coping Strategies</i>	62
4.4.4	<i>Collaboration and Bulk-buying Strategies</i>	63
4.4.5	<i>Government strategies supporting local owned small-scale enterprises</i>	64
4.5	Effectiveness of coping strategies of local owned small-scale enterprises in mitigating the growth impediments in Lesotho	66
4.6	Government intervention in addressing the Growth Impediments Faced by locally owned Small-scale enterprises.....	67
4.6.1	Evaluation of Government Interventions	67
4.7	Conclusion	68
CHAPTER FIVE.....		72
DISCUSSION OF FINDINGS, CONCLUSION AND IMPLICATIONS OF THE STUDY		72
5.1	Introduction	72
5.2	Discussion of Findings	72
5.3	Conclusion	76
5.4	Implications of the Study	76
5.5	Recommendations	77
5.6	Conclusion	79
REFERENCE.....		80
Appendices: Research Questionnaires.....		88
Clearance Letter and Approval Letter.....		92
Certification of Language Editing.....		93

LIST OF TABLES

Table 4.1: Cross tabulation between Impediments and Gender.....	56
Table 4.2: Cross tabulation between impediments and business ownership.....	57
Table 4.3: Cross tabulation between impediments and Education level.....	58
Table 4.4: Cross tabulation between impediments and years of business duration	59

LIST OF FIGURES

Figure 1: Gender of respondents in percentages for Maseru town	48
Figure 2: Gender of respondents in percentages for Roma	48
Figure 3: Educational level for Roma respondents in percentages	49
Figure 4: Educational level for Maseru town respondents in percentages	49
Figure 5: Business Ownership for respondents in percentages for Roma	50
Figure 6: Business Ownership for respondents in percentages for Maseru town.....	50
Figure 7: Duration of respondents in businesses in for Roma.....	51
Figure 8: Duration of respondents in businesses in for Maseru town.....	51
Figure 9: Impediments of local owned small scale enterprises (General)	54
Figure 10: Impediments of local owned small-scale enterprises for Roma	54
Figure 11: Impediments of local owned small-scale enterprises for Maseru town.....	54
Figure 12: Nature of business impediment.....	55
Figure 13: Impediments of local owned small-scale enterprises in Roma.....	56
Figure 14: Impediments of local owned small-scale enterprises in Maseru town	56
Figure 15: Financial Coping strategies for Maseru town	60
Figure 16: Financial Coping strategies for Roma	60
Figure 17: Market-related Coping strategies Maseru town.....	61
Figure 18: Market-related Coping strategies Roma	61
Figure 19: Production and Sale strategies for Roma.....	63
Figure 20: Production and Sale strategies in Maseru town	63
Figure 21: Government supporting strategies in Roma.....	65
Figure 22: Government supporting strategies in Maseru town.....	65
Figure 23: Impact of Government intervention in Roma.....	68
Figure 24: Impact of Government intervention in Maseru town	68

CHAPTER ONE INTRODUCTION

1.1 Background of the Study

Local owned small-scale enterprises play a vital role in fostering economic growth, job creation and community development, (Birch,1987; Neumark, 2011; Ayyagari, 2011). According to Kuratko and Hodgett (2007), the success and vitality of small- scale enterprises are recognized as important elements in measuring an economy's progress and future development. European Commission (2008) posits that small- scale enterprises account for over 70% of all companies in the European Union; generating 40% of the Gross Domestic Product (GDP) and employing 45% of the private sector. Recently, entrepreneurship has been the topic of scholarship and research in a variety of academic fields.

Eijond, Claaseen, and Timmermans (2022) demonstrate that a number of obstacles stand in the way of these companies' expansion and prosperity, reducing the amount of economic impact they portray overall. Several procedures have been put in place at various levels to support and empower locally owned small-scale businesses in an effort to lessen these impediments. The challenges encountered by locally owned small-scale enterprises are multifaceted, situation-specific and largely diverse in different countries and areas, (Eijond, Claaseen, and Timmermans, 2022).

Countries worldwide have put policies in place to encourage the expansion of small-scale enterprises because they understand how important it is. These mechanisms include a variety of projects, guidelines and plans designed to meet the unique requirement of nearby companies, (Shkabatur, Bar-El and Schwartz, 2022). Locally held small-scale businesses in the United States of America encounter a wide range of complex obstacles. Regulatory restrictions, market competitiveness, lack of networking opportunities, restricted access to finance, funding as well as inadequate business skills and knowledge are some typical hurdles encountered, (Alrabeei and Kasi, 2022). These challenges can make it more difficult for small firms to launch, remain viable and grow, especially in underprivileged areas such as in Lesotho.

Zabolotskaya (2019) highlights that for small enterprises in the United States of America; the Small Business Administration (SBA) offers financial support, capital

access and advisory services. Small-scale business owners find it easier to obtain funding with the help of the SBA's Lending Programme. A state-owned development bank called Kreditanstalt für Wiederaufbau (KfW), that provides funding and support programs for small enterprises was founded by the German government (Herr and Nettekoven, 2018). For small-scale business owners looking to overcome financial obstacles and support their expansion, the KfW offers loans, guarantees, and equity capital.

Moreover, Park (2014) establishes that, to encourage small-scale enterprises, the South Korean government has launched a number of programs such as the Small and Medium Business Administration (SMBA). To foster and grow small enterprises, the SMBA offers financial assistance, mentorship programs, and business incubation centers. However, entrepreneurs across the African continent often face numerous impediments that hinder their growth and sustainability, (Jaramillo, Sossa and Mendoza, 2019). Notwithstanding this, most small-scale enterprises in Africa have the potential to drive economic growth, create employment opportunities and foster social inclusion. A major obstacle for small-scale business owners in African nations is still getting access to finance and financial services. To tackle this problem, nevertheless, novel strategies have been presented. For instance, M-Pesa and other mobile banking platforms that serve underprivileged communities have proven to be successful in Kenya and other countries, (Jack and Suri, 2014). For micro, small, and medium-sized businesses (MSMEs) in Nigeria, the Bank of Industry (BOI) provides loan programs and financial support.

The National Institute of Entrepreneurship and Small Business Development, (2022) establishes that Africa needs specialized procedures that address issues which are unique to each nation in order to mitigate the obstacles faced by locally held small-scale enterprises. Countries such as Kenya, Rwanda, Ghana, Tanzania and Mozambique have made significant strides in assisting small-scale businesses by creating and putting strategies into practice in order to increase finance availability, upgrade infrastructure, increase market access, and foster entrepreneurial skills. For other African countries hoping to promote an atmosphere that encourages small-scale entrepreneurship and propel sustainable economic growth, these instances are crucial inspirations as a case in Rwanda (Centre for Entrepreneurship Education and Development, 2014).

Lesotho, a landlocked country in Southern Africa, holds great potential for locally- owned small-scale enterprises. However, the growth of small-scale enterprises in these sectors faces significant impediments, (Okpara and Wynn, 2007). Historically, Basotho practiced both hunting and gathering for their survival. The transition from hunting and gathering to the most recent stage of industrialization is often referred to as the post-industrial or information age, and it represents a significant shift in human civilization. The hunting and gathering stage was characterized by small, nomadic groups that relied on hunting, fishing and gathering wild plants for sustenance. This lifestyle persisted for years and varied across different districts of Lesotho, (Kusimba, 2005). The development of locally held small-scale enterprises in Lesotho is beset with serious obstacles, (Hassan and Ojo, 2002).

1.2 Problem Statement

In Lesotho, a number of barriers prevent small enterprises from growing and being viable. This is evident in that the Government of Lesotho's (GoL) report on small- scale enterprises indicates that the assessment of small-scale entrepreneurs to access adequate financial credits and necessary information does not have a desired effect (GoL, 2011). This transpires despite the fact that they are vital to the economy's growth, job creation and poverty reduction, (Adenutsi, 2023). This is evident in that Basotho's historical developments are not business-growth friendly, (Ramphoma, 2021).

Moreover, the British colonization never prepared Basotho for entrepreneurship. Entrepreneurs' competitiveness and growth potential are hindered by their inability to invest in the essential technology, equipment and people resources due to lack of funding, (Khoase, 2011). The growth of the economy, the generation of jobs and community development are all greatly aided by small, locally held businesses. However, one of the biggest problems facing Lesotho's small business owners is thus getting access to financing, (Khoase, 2011). For some, there are strict lending standards, high interest rates and lack of capital and all these make it difficult for small-scale businesses to obtain the money that they need for their growth, operation and innovation. For example, local banks have strict lending procedures that ought to be met by the business owners before they could be given money.

The locally owned small-scale businesses are further faced with major obstacles of limited infrastructure. The productivity and efficiency of local enterprises are hampered by inadequate transit networks and unstable economic and political environments, (Hove, Ngwerume and Muchemwa, 2013). Unreliable infrastructure makes it challenging for business owners to reach clients outside of their immediate area and to grow their clientele.

Moreover, the development of locally owned small-scale enterprises' growth in Lesotho is hampered by a lack of entrepreneurial expertise and understanding. The inability of entrepreneurs to obtain high-quality business education and training programs impedes on their capacity to acquire critical competencies in areas such as marketing, financial management and strategic planning. For instance, ENRICH Store was locally owned by Basotho and due to inability to run the business it is facing its ultimate collapse as it runs deficit, (The Reporter, 2023). Their ability to innovate, adjust to changing market conditions and successfully compete with bigger businesses was hampered by this knowledge gap. This is because prior to independence, Basotho were mostly living under the barter system era and post- independence, they were not actually taught about how to run businesses by the colonizers.

Using historical and oral histories, Basotho entrepreneurs lacked the entrepreneurial spirit, business acumen, economic solidarity and cultural belief, (Maliehe, 2017). After decolonization, Basotho traders became victims of sinister political and economic interests of the first post-colonial government, which at the time acted to protect the interests of minority European traders. Thus, the majority of small businesses in Lesotho barely survive, and their potential to grow and expand is extremely limited, (Ministry of Small Business Development, Cooperatives and Marketing, 2018).

This circumstance meant that Basotho were not groomed into business acumen. This is evident in that small-scale enterprises are notably not growing in Lesotho. British colonization also did not teach Basotho on how to run their businesses. Factors such as lack of skills and training were still contributing challenges faced by small-scale enterprises in Lesotho during colonization. However, the strategies combined with on-going stakeholders' engagement and collaboration can assist in addressing these impediments to small-scale enterprises' growth in Lesotho.

1.3 General Objective

To ascertain the mitigating mechanisms for resolving the impediments of locally owned small-scale enterprises' growth in Roma and Maseru town.

1.4 Specific Objectives

- To examine the impediments of locally owned small-scale enterprises' growth in Roma and Maseru town.
- To examine the coping strategies to enterprises' growth impediments in Roma and Maseru town.
- To investigate the effectiveness of coping strategies of locally owned small-scale enterprises in mitigating the growth-impediments in Roma and Maseru town.
- To evaluate the effect of government intervention in mitigating locally owned small-scale enterprises' growth-impediments in Roma and Maseru town.

1.5 Research Questions

- What are the impediments of locally owned small-scale enterprises' growth in Roma and Maseru town?
- What are the coping strategies to enterprises' growth impediments in Roma and Maseru town?
- What are the effective coping strategies of locally owned small-scale enterprises in mitigating the growth impediments in Roma and Maseru town?
- What is the effect of the government intervention in mitigating locally owned small-scale enterprises' growth impediments in Roma and Maseru town?

1.6 Justification of the Study

This research has the potential to influence public policy because it holds an immense value for policymakers, government agencies and other stakeholders. The study may thus provide a comprehensive understanding of the obstacles faced by entrepreneurs and will potentially aid in the formulation of policies and interventions that address these challenges. The study is significant because it coincides with Sustainable Development Goal 8 of United Nations, which seeks to promote sustained, inclusive and sustainable economic growth which are a full and productive environment and decent work for all, (United Nations, 2023).

Additionally, the study seeks to promote local businesses through African Agenda 2063, which encompasses not only Africa's aspirations but also identifies key flagship programs which can boost Africa's economic growth and development and lead to the rapid transformation of the continent. It aims to provide a basis for attaining sustainable peace as envisaged by the sustainable development goals and Agenda 2030. Moreover, by promoting small-scale entrepreneurship, Lesotho can unlock its economic potential, foster sustainable growth and uplift its local communities, (Ramphoma, 2021).

The most important device of Lesotho's economic growth is small-scale entrepreneurship. These locally owned small-scale businesses have a major positive impact on reducing poverty, producing income and creating jobs. Through the identification of the challenges encountered by regional business owners, this research will yield the information required to create focused policies and interventions that can address these issues and promote economic expansion and advancement.

This study is aimed at identify the challenges faced by the locally owned small-scale entrepreneurs in Lesotho and their growth. If the challenges are identified, then the strategies and solutions could be put in place to address these factors constructively. The essence is that Lesotho's economy will likely grow and create a more prosperous nation because economic growth is vital for the provision of the nation's basic needs. If the problem is not resolved, Lesotho will remain in its current economic position as postulated by the real economic growth averaged at 1.4% between 2015 and 2018, (World Bank, 2019). This means that prospects of Lesotho's economy flourishing is minimal and not positive, unless economic growth can be stimulated.

1.7 Chapter Outline

This dissertation has five chapters that are all interrelated.

Chapter One

The initial chapter serves to validate the rationale behind conducting this research by introducing and providing background information about the study. Additionally, the chapter articulates the problem statement, outlines the research objectives and questions. Finally, the study's significance is expounded upon, justification as to why the study was undertaken.

Chapter Two

Chapter two reviews literature related to the study. Within this chapter, the mitigating mechanisms for resolving the impediments of locally owned small-scale enterprises' growth are investigated using the findings from earlier studies. Finally, theories are designed to relate complex phenomenon on impediments of small-scale enterprises.

Chapter Three

This chapter provides an overview of the methodology employed in the study, covering details on the chosen research paradigm, approach, and design. Additionally, it outlines the methods employed for data collection and analysis.

Chapter Four

In this chapter, the research findings are presented and subsequently analyzed in order to address the research questions.

Chapter Five

This chapter discusses the study's findings in relation to the literature reviewed in Chapter Two. The chapter also highlights the limitations of the study, recommendations, and the conclusions.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

In this chapter, a clarification of the research problem was carried out through the consideration of the existing empirical and theoretical literature. The literature review builds an empirical foundation for the study to unveil the available knowledge in the identified research area, pre-applied research methodologies and to formulate others on the basis of what has already be done in order to address the imposed questions for this study.

2.2 The Role of Small-scale Enterprises

Small-scale enterprises play a crucial role in the economic development of countries, especially in developing nations similar to Lesotho. These enterprises contribute significantly towards employment generation, poverty alleviation, and overall economic growth. Phoofolo (2018) asserts that the small-scale enterprise sector creates jobs, fosters broad-based development, and income distribution and this promotes resources accumulation and poverty alleviation. However, the development of locally owned small and medium-sized enterprises (SMEs) in Lesotho faces numerous challenges thereby hindering their growth and sustainability despite their significant contributions towards the economy.

Policy makers have long perceived the establishment of small-scale businesses as way to raise income of the impoverished in addition to the apparent economic benefits. Small-scale business owners and employees have a tendency of being disproportionately poor and the prevalence of poverty in small-scale businesses is higher than in medium and large-sized businesses. International donors, however, are now more interested in outcomes than in the number of businesses looking for “pro-poor” or impoverished-beneficial patterns of economic growth, (OECD, 2004). Studies and reports have shed light on the multifaceted obstacles encountered by these enterprises. The following section explores the challenges faced by locally owned small-scale enterprises in Lesotho and examines potential mitigating mechanisms that can be implemented to facilitate their growth.

2.3 Challenges Faced by Locally Owned Small-Scale Enterprises

Stochastic Models postulate that there are many factors that affect the growth of SMEs and therefore, no one theory fully explains them, (Musabayana, 2012). The performance and commercial success of Sudanese small and medium-sized businesses was examined by Eltahir (2018) in a study aimed at characterizing the track record of the prosperity of Omdurman's small enterprises. According to the study results, SMEs' success in this sector is heavily impacted by their financial situation, markets, and client base. Alrabeei and Kasi (2014) posit that the main difficulties facing the Bahraini Micro, Small, and Medium-Sized Enterprises' growth were nonetheless, competition, lack of funding, shortage of skilled labor, limited access to finance and regulatory constraints. These factors serve as a barrier in the following ways:

2.3.1 Lack of Access to Finance

In many business surveys, finance has been identified as the most important factor determining the survival and growth of SMEs in both developing and developed countries. Despite the importance of SMEs to the economies of both developing and developed countries, they have traditionally had difficulty in obtaining formal credit or equity (United Nations, 2005). Similarly, access to finance is also a critical challenge for small-scale enterprises in Lesotho. According to Khoase (2015), SMEs often struggle to secure loans and other forms of financing, which in turn hinders their growth and expansion.

Most locally-owned businesses struggle to secure funding from traditional financial institutions such as banks due to stringent lending criteria, lack of collateral, and high-interest rates. In a similar disposition, Zhu (2017) found that access to financial resources helps small business owners to take advantage of new business prospects and small enterprises prosper when their owners have this kind of financial resources. In contrast, Ndungu (2017) disputes this finding because in this study, empirical research showed that certain businesses have succeeded in spite of having very little financial strength.

2.3.2 Limited Market Access

Small-scale enterprises in Lesotho often face difficulties in accessing broader markets which are beyond their local communities. The limited market access restricts their growth potential and makes it challenging to scale up operations. SMEs in Lesotho also face challenges related to insufficient networking opportunities and support systems. The absence of mentorship programs, business consulting services, and

collaborative platforms deprive entrepreneurs off valuable guidance and learning opportunities.

This lack of a supportive environment further impedes SMEs' growth, inhibits innovation, and hinders the sharing of best practices among businesses. Eltahir (2018) states that capital markets are more effective for larger businesses than for smaller ones and most recent business sectors. This means that smaller businesses rely solely on outside financing sources and this forces them to raise enough risk capital, particularly for high-technology, innovative small businesses and firms that operate in underprivileged areas.

2.3.3 Inadequate Infrastructure

Poor infrastructure, including unreliable electricity supply, inadequate road networks, and limited access to technology, hinder the productivity and efficiency of small-scale enterprises in Lesotho. The productivity and efficiency of local SMEs are hampered by inadequate infrastructure, including transportation networks and an unstable economic and political environment. This lack of reliable infrastructure restricts businesses' ability to reach customers beyond their immediate vicinity, as a result hindering their potential for expansion and market growth Rodrik and Subramanian (2002).

Mukherjee (2018) asserts that as a result of expanding customer demands and preferences, technological advancements and corporate globalization, the competitive standards are evolving at an accelerating rate. For example, social media currently has a positive substantial influence on the financial performance of small firms. Consequently, having access to the internet and social media platforms enhances stakeholder interactions, product awareness, and brand recognition, (Garg and Phaahla, 2018).

2.3.4 Skills and Capacity Constraints

Many locally owned businesses lack the necessary skills and capacity to compete effectively in the market. A shortage of skilled labor and management expertise poses a significant challenge to the growth of small-scale enterprises. A notable impediment to SMEs' growth in Lesotho is the lack of entrepreneurial expertise and understanding among business owners. The absence of high-quality business education and training programs prevent entrepreneurs from acquiring essential skills in areas such as marketing, financial management, and strategic planning. Some SMEs may face potentially lucrative business opportunities but they may be unable to take full advantage

of them due to inadequate capabilities, (Dlamini,2020).

Although they may expand quickly for short durations while trying to harness these opportunities, they often lack endurance since they do not have requisite capabilities for sustained growth, (Nichter 2004). This knowledge gap hampers SMEs' ability to innovate, adapt to market changes, and compete effectively with larger enterprises. In the view of Ramonyatsi (2020), the availability of resources such as capital and trained labor allow for the pursuit of new business endeavors, which in turn affect the growth and sustainability of businesses.

2.4 Mitigating Mechanisms for Growth Impediments

2.4.1 Financial Inclusion Programs

Implementing financial inclusion programs tailored for the needs of small-scale enterprises can enhance access to finance. These programs could include microfinance schemes, credit guarantee facilities, and financial literacy training aimed at improving financial management skills. Ramonyatsi (2020) maintains that a small business' ability to obtain financing is essential to its expansion. Small enterprises cannot develop and have new customers without financing. However, informal finance providers have a chance to fill the gap left by SMEs' inability to meet the requirements of official finance institutions in order to qualify for loans, (Ramonyatsi, 2020). In line with Yusuf (2014), a lot of small business owners rely on friends and family for funding because they lack the resources to borrow money from outside organizations.

2.4.2 Market Linkages and Networking

Facilitating market linkages and networking opportunities for locally owned enterprises can help them access larger markets and distribution channels. Building partnerships with established businesses, cooperatives, and export promotion agencies can open up new opportunities for growth. The United Nations (2005) reported that the businesses suffering the most from new market conditions are generally, those involved in activities at the bottom of the value chain, while enterprises involved in the finalization of products have much higher chances of succeeding. Therefore, the vulnerability of SMEs depends largely on their position in the global production networks.

2.4.3 Infrastructure Development

Investing in infrastructure development such as improving road networks, expanding access to reliable electricity, and promoting the adoption of digital technologies can enhance the operational efficiency and competitiveness of small-scale enterprises in Lesotho. In addition, the government can work with partners in the private sector to offer training courses and capacity-building projects that will give small business owners the tools they need to function and expand profitably, (Khoase 2015).

2.4.4 Skills Development and Training

Providing training programs and capacity-building initiatives aimed at improving the skills of entrepreneurs and workers can enhance the productivity and innovation capabilities of small-scale enterprises. Skills development in areas such as marketing, financial management, and technology utilization are essential for sustainable growth. Zacharakis and Mayer (2000) specify that an entrepreneur who possesses attributes such as education and work experience has the ability to attract investors, especially venture capitalists. Anderson and Miller (2003) concur that a solid foundation for achieving entrepreneurial success lies on education and experience.

2.4.5 Policy Reforms and Advocacy

Advocating for policy reforms that simplify regulatory procedures, reduce bureaucratic burdens, and provide a conducive business environment for small-scale enterprises is crucial. Engaging with policymakers, industry associations, and advocacy groups to address regulatory and policy constraints can create a more favorable environment for business growth. The United Nations (2005) asserts that government and the central bank play a proactive role towards small businesses' growth and should thus lay up a framework for policy that directs sufficient funding into the SME sector.

Locally owned small-scale enterprises in Lesotho face various challenges that impede on their growth and sustainability. Growing SMEs is deemed essential because experts have universally recognized their significant contribution to a country's socioeconomic development. By implementing targeted mitigating mechanisms such as financial inclusion programs, market linkages, infrastructure development, skills training, and policy reforms, stakeholders can support the growth and resilience of small-scale enterprises in a country. Collaborative efforts between the government,

private sector, development partners, and civil society organizations are essential for the creation of an enabling environment for the sustainable growth of locally owned businesses in Lesotho, Mphaka and Mosala (2017).

Jobs were found to be provided by small businesses, (Smallbone et al., 2022) Despite offering job prospects to the public, most SMEs typically fail during the first five years according to a history of entrepreneurial failures, (Munawaroh et al., 2023). SMEs can be stimulated to grow and develop by creating best business practices. This will also lower the number of SMEs failing in economies and this leads to more job opportunities, a decrease in poverty, and a boost in economic growth and development, (Musinguzi et al., 2023). Entrepreneurial researchers concentrate on creating Critical Success Factors (CSFs) models for their regions and industries since it is impractical to generalize models because CSFs models are thought to be accurate and dependable information for creating best business practice strategies for mitigating SMEs failures, (Lampadarios, 2015; Obaje, 2020).

Small and medium-sized businesses are the foundation of the Asian economy. They account for more than 98% of all Asian companies and they generate two of every three employments in the continent's private sector, (OECD, 2000). Thus, having fully operational support measures for SMEs is critical to Asia's economic development. SMEs' poor growth is caused by a number of factors, including their limited access to financing, lack of databases, low Research and Development spending, underdeveloped sales channels, and low levels of financial inclusion, (Yoshino and Hesary, 2016).

Small-scale enterprises are essential drivers of economic growth and development in many countries, particularly in developing economies, (Gherghina et al., 2020). However, these enterprises often face various challenges that can hinder their growth and sustainability. Many nations, especially emerging ones, rely heavily on small businesses to propel economic growth and development. These businesses, however, are frequently confronted by a number of obstacles that may prevent them from expanding and remaining viable. Researchers have found a number of mitigating factors in the literature that can help locally held small-scale businesses to expand, (Turner and Endres, 2017).

The growth of small businesses is significantly impacted by the availability of financing. Financial inclusion and loan availability are critical for small businesses, (Beck et al., 2018). Microfinance institutions have been instrumental in supplying small-scale entrepreneurs with financial services that allow them to invest in their companies and grow their operations in a number of developing nations such as Nigeria and Ghana, (Turner and Endres, 2017). Small businesses in Lesotho often struggle to access affordable credit and financial services, which hinder their ability to invest in expansion, purchase of equipment or hiring additional staff. Access to financing is a major component that drives the expansion of small businesses in Lesotho, (Makhakhe, 2017).

Makoala and Smit (2018) claim that limited access to financial resources is a major obstacle for small enterprises in Lesotho. In order to give small-scale businesses, the funding they need to grow, the authors stress the significance of creating specialized financial mechanisms such as microfinance organizations and government-supported lending programs. Apart from budgetary limitations, regulatory obstacles also hamper the expansion of small businesses in Lesotho. Consistent with Makhakhe (2017), one of the main reasons entrepreneurship is discouraged and business growth is hampered by complicated and onerous regulatory regulations is that transparency and accountability lacks. The Lesotho government may solve this problem by streamlining rules, streamlining business licensing process, and fostering an atmosphere that encourages small businesses to prosper.

A lack of skilled labor can hamper the growth of small businesses in Lesotho because employers may struggle to find employees with the necessary expertise to support their operations and expansion. Moreover, training and skills development are crucial for raising the competitiveness of Lesotho's small enterprises, (Amadasun and Mutezo, 2022). Nkuebe et al. (2019) posit that it is critical to offer focused training programs that give local business owners the abilities and information they need to run their businesses successfully. The government and other stakeholders can enable small-scale businesses to innovate; adjust to changing market conditions; and grow sustainably by making investments in human capital development, (Chibuike, 2023).

The viability and growth of SMEs are significantly impacted by the sufficiency of financial resources, (Rungani and Potgieter, 2018). The success of SMEs depends heavily on financial resources. Additionally, financial resources are crucial, particularly in the early stages of an enterprise in order to establish a solid framework of systems that would guarantee performance and success, (Zin et al., 2020). Together with providing financial support and helping in capacity development, stakeholders and legislators are essential in fostering an atmosphere that encourages the expansion of small businesses. In order to promote entrepreneurship and business expansion, Ayyagari et al. (2018) emphasize the significance of regulatory reforms, streamlining licensing processes, and lowering bureaucratic barriers. Policies that facilitate business operations, shield small companies from unfair competition, and they offer growth-oriented corporations incentives and these can all be put into place by governments, (Todaro, 2023).

Access to financing is the most crucial component of the business climate for small enterprises; particularly during recessions, (Calcagnini and Favaretto, 2012; Korunka et al., 2010). This is because lenders are hesitant to lend to small enterprises since they are associated with low levels of collateral and a high degrees of uncertainty and this in turn makes it difficult for them to evaluate the risk of an investment, (De Maeseneire and Claeys, 2012; Harrison et al., 2004; Rutherford et al., 2001). Many businesses are unable to finance their operations and seize market opportunities because they do not have sufficient cash flow or external financing, (Carter and Van Auken, 2005; Locke, 2004).

Medina et al. (2005) concur that the many avenues and methods of funding different countries is placed at national level. Medina et al. (2005) further highlight that different countries and regions' financing channels have different effects on the expansion of small businesses. In other words, a capital market that is more ideal, has more financing channels available, and provides greater access to financial resources, will be more favorable for the expansion and innovation of SMEs, (Guo and Shi, 2012). Global Entity Management (GEM) acknowledges the significance of financial resources being accessible in the market for small and medium-sized businesses (SMEs). These resources may include debt and equity. They also include government grants and subsidies, (Amoros et al., 2013; Levie et al., 2014).

Since the government has either ignored or mistreated SMEs in Nigeria or denied them credit, most of them have enlisted the help of unofficial financial institutions as a backup source for funding. Leonard (1977) purports that around 82% of farmers surveyed in the West Kwara State, Nigeria, acquired credit from non-institutional sources. SMEs may have low demand for non-financial services such as training or consulting due to a lack of awareness about how these services might boost their growth and productivity, or because they run the risk that these benefits will not materialize for the betterment of their businesses, (Yoshino and Hesary, 2016). Therefore, compared to larger companies, SMEs typically employ less outside sources of assistance.

Worldwide, SMEs have less financial access than major corporations, (World, 2019). This also applies to South Africa, where 82% of major corporations and only 5% of small and medium-sized businesses, respectively, have any credit products. World Bank Enterprise Survey (2008) notes that one of the most significant objective indicators of access and actual use of credit products. Furthermore, microenterprises are less likely to have a bank account, to have access to any type of credit product (loans, overdrafts, or lines of credit), and they are likely to list difficulty obtaining financing as one of the top three barriers to their expansion. Access to financing gets easier as businesses grow bigger, (Mengistae et al., 2010).

SMEs must contend with heightened competition, the need to quickly adjust to shifting market demands, technological advancements, and limitations on their ability to innovate, create, and retain knowledge, (Amadasum and Mutezo, 2022). However, for a lot of SMEs, their small-scale limitations frequently prevent them from reaching their full potential. The limitations may include lack of networks; lack of economies of scale and scope; more transaction costs in comparison to large firms and lack of resources (money, technology, trained labor, market access, and market knowledge). The lack of resources may lead to a lack of knowledge, expertise, and experience in both domestic and foreign markets and greater market competition and concentration from major multinational corporations as a result of economic integration and globalization. It is also likely to lead to an inability to compete with larger companies in terms of research and development spending and innovation (product, process, and organization); vulnerability to "churning" and instability; and a lack of entrepreneurship zeal, capacity, and information, (Thanh et al., 2010).

Due to the increasing level of competition in market places, small business owners try to differentiate themselves from larger businesses by introducing innovative products. Thus, achieving competitive power requires innovation on a basic level, (Loureiro and Castelo, 2012). Popescu (2014) agrees that focusing on innovative products; creative management and marketing strategies; and real technology differentiates small-scale enterprises from large businesses. Porter's model advances the notion that businesses are part of a larger globalization and international processes. Local efforts within a national or regional area — each with unique economic or cultural features — create and sustain competitive advantage for a business. A competitive region is one that can guarantee both the quantity and quality of jobs, (European Commission, 1999). Regarding this description, the gross domestic product is considered to be an appropriate representation, (Gardiner, 2019).

One of the main obstacles facing small businesses is access to markets, (Mohlomi, 2019). Larger companies own the majority of the market share and they rule a city, which prevents small enterprises from growing in the market, (Kalitanyi, 2019). Moreover, larger businesses do not build new business relationships with small businesses that do not have a history of success because they have already established relationships with their suppliers. Additionally, due to global competition, lack of access to, and retention of, a suitable client base and other factors lead small businesses in Tshwane to struggle to compete in worldwide markets, (Leboea, 2017; Rungabi and Potgieter, 2018).

International trade and competition for small enterprises has become more difficult as a result of globalization's substantial influence on industry standards, product requirements and customer procedures, (Gamage et al., 2019). Together with pressure and technical improvement, smaller businesses lose skilled labor to larger competitors, (Mabotja, 2019). However, according to Mohlomi (2019), with correct assistance, small businesses can benefit from globalization by being able to reach export markets, attract more foreign investments and advance their technological capabilities; all of which will boost their profitability, client satisfaction and productivity.

Since their attention is usually diverted to daily tasks and they do not have the time to fully comprehend the advantages of new technologies, SMEs typically lack the human technology resources required for information and Communication Technology (ICT) and electronic commerce (e-commerce), (OECD, 2004). Even when small business

owners are aware of the possible advantages of e-commerce adoption; they still need expertise or skilled workers. Businesses that use the internet and e-commerce are likely going to employ someone with at least a passing familiarity with the relevant technology and/or technology in general.

SMEs could also be lacking in electronic business (e-business) managerial expertise and abilities. Restructuring company processes, altering organizational structures, and redefining key competencies and value chain positions are all necessary for many organizations to successfully integrate e-business. Thus, the visionary ability and strategic judgments on how to utilize ICT technology for their business processes are necessary for the successful introduction and implementation of e-business tools. Additionally, when it comes to internal management skills, SMEs come behind larger companies. This is often because they lack a Chief Information Officers (CIO), who can develop and implement e-business plans on their behalf. SMEs can benefit from the expert counsel of Information Technology (IT) and e-business consultants, but they might not have easy access to them due to their relatively hefty fees, (OECD, 2004).

In addition, several banks would rather give their financial resources to big businesses than to small business, (Jayaratne and Wolken, 1999). The rationale is that big businesses have transparent financial accounts and lower default risks but SMEs lack accurate accounting information, which makes them riskier primarily from the lender's perspective. The financial sector works inherently with information infrastructure. In general, there are knowledge asymmetry problems between money lenders and borrowers and information infrastructure is needed to address this problem, (Shah, 2018). That is, bigger companies frequently list their bonds on bond markets and list their shares on stock exchanges for exchange with financial help.

Capital markets' institutional information sharing programs can make it easier for businesses to obtain a variety of data needed to assess a large company's creditworthiness. However, the majority of small enterprises are unconnected to the capital market. Financial organizations have the ability to continuously and expensively monitor debtors but doing so would be expensive for those with moderate debts. The information asymmetry issue is made worse by SMEs' lack of information infrastructure. According to Ratten (2020), small businesses typically have greater flexibility due to their smaller size.

However, they may not have the means to form specialized teams which are tasked with tracking the issue and offering remedies. A small size of a business signifies possibility of flexibility during difficult times and is entrepreneurship, (Bartz and Winkler, 2015). The inability to obtain information tailored especially for SMEs is another example of a lack of resources. A "decoupled and unattractive" information environment is mentioned in a study conducted in the United Kingdom (UK) by Herbane (2010) as a deficiency in crisis information pertinent to the setting and experience of small businesses.

Nxosi (2019) asserts that the high crime rate in South African cities puts small enterprises at significant danger; impeding their capacity to grow and succeed. Due to their inability to replace expensive equipment or products or pay for repairs, small business owners are disproportionately affected by these criminal actions such as theft of valuable products or equipment. Moreover, investment, growth, and employment possibilities are hindered by the high crime rate in the cities. The rising crime rate in the cities has therefore made business owners anxious. Crime is an anti-social blight on communities and it raises operating costs and undermines the viability and membership of community-based organizations that facilitate networking among entrepreneurs, (Mukwarami, 2020). As a result, there is currently less assistance available to prospective company owners in focal communities to launch and grow their companies, (Churchill et al., 2023).

Small businesses often struggle with the lack of proper crisis management plans. In the event of an unplanned calamity, there may be no recovery strategy put in place, which could lead to further harm on the business. Spillan and Hough (2003) postulate that during the terrorist attacks in the United States of America, the only senior management team member who voiced worries about business crises were those who were directly affected by the crisis occurrence. Larger organizations are more likely to make plans to anticipate and handle unanticipated crises, (Ley et al., 2012). When there were crises in educational institutions, leaders and researchers panicked due to the uncertainty brought by inadequate crisis planning, (Carlson, 2016).

It is difficult for new, small business owners to launch and maintain their enterprises because they rely on a specialized client base, have a small market presence, and lack essential resources, (Bengtsson et al., 2014). Some of the difficulties experienced by start-up businesses are not having enough capital to take advantage of business opportunities that are provided to small business owners and never making a profit, (Schumann et al., 2014). A few small business owners have access to sufficient financial and non-financial resources, which makes it difficult for them to prevent their companies from failing, (Falkner and Hiebl, 2015), which is one of the most common issues that small business owners faced when they first opened for operations, (Horne and Ivanov, 2015). The strategies small business owners employ to identify and resolve these problems will ultimately determine how successful their enterprise is in the long run, (Horne and Ivanov, 2015).

Small businesses in developing countries reported substantially more concerns than did large businesses in practically every facet of institutional structure. The concerns included among others, corruption, discretionary bureaucracies, the judiciary's predictability and access to information about policy change, (Yoshino and Hesary, 2016). In underdeveloped countries, small business owners also reported that they were required to pay bribes more frequently than larger businesses. In contrast, among the high-income countries studied, there were not many notable distinctions between small and larger businesses. Small and local businesses were reported to be worse than large and foreign businesses only when it came to corruption, (UNODC, 2012).

The absence of Research & Development investment is a problem for SME development. This issue was addressed in a number of different ways. One of the ways of solving it is through governments supporting corporate R&D through tax incentives in addition to grants, contracts, and loans, (Deloitte, 2014). The economies of many nations are already experiencing this and for companies that employ R&D as well as those that do not, collaboration is a crucial factor of knowledge flows associated with innovation, (Gkpali et al., 2017).

SMEs and public officials behave differently towards one another as a result of the media's tendency to give larger companies more attention than SMEs. Companies situated in impoverished or rural areas typically depend on news publications, radio and television for news, information and entertainment (Sisson, 2017). A recent poll carried out in Croatia provides evidence of the significant influence the media may play. Specifically, 43% OF SMEs surveyed believed that official pressure conveyed through the media was crucial in the battle against corrupt practices, (Harvie and Charoenrat, 2015). The media was influence exposed as a corrupt entity or individual. Additionally, they can support ethical corporate practices and increase awareness of media. Increasing media coverage of SMEs and collaborating with business organizations and other organizations to support their initiatives are two beneficial activities that the media may do.

Often times, dishonest officials view small businesses as easy targets for bribes. This is because SMEs frequently violate legal rules and regulations due to lack knowledge about them, in addition to lack of authority and influence, (Harvie and Charoenrat, 2015). Entrepreneurs would be able to take action and lessen the possibility of being approached by officials seeking bribes in exchange for overlooking non-compliance with the rules if they had accurate information about any legislation affecting their business operations, (Haftay, 2012).

In addition, it is difficult to measure small businesses' activity in any economy. This difficulty stems from the fact that there are large numbers of small businesses in almost every industry and in every geographic area. In order to produce usable numbers for multi-industry, multi-location, multi-site group tables, very large samples of small businesses are required, (Zahra and Wright, 2016). These samples are usually too expensive for the central statistical agency to compile because it concentrates its sampling on larger firms. This makes sense in countries where large businesses produce the larger share of total output. In most countries, however, SMEs produce the larger share of gross national product, and SMEs produce the larger proportion of new jobs. Dynamic changes such as rapid growth, new business starts, and bankruptcies are found more frequently in the smaller business sector, (Zhang, 2016).

The success of SMEs was found to be influenced by factors that facilitate funding for them. The expansion of financially leveraged SMEs contributes towards the overall economic progress of a society, (Rao et al., 2021). Improved entrepreneurship and the support structure of the SME value chain; skilled entrepreneurs; formalized partnerships between public and private role-players; accessible and flexible business loan application processes, and strong business case documents are the factors that contribute towards the success of small and medium-sized enterprises. Other factors include blended funding programs; capable and efficient government agencies; better contract conditions; SME-specific banking services and alternative funding options; and efficient agency communication, (Yusuf, 2014).

Entrepreneurial shortcomings that go unnoticed can lead to more problems than are acknowledged. The availability and accessibility of financing has an impact on the effectiveness of SMEs in Nigeria. The underlying attitudes and dispositions of entrepreneurs, which are deeply embedded in the traditional socio-cultural structure, can greatly hinder the development of the entrepreneurial attributes necessary for the effective operation of small and medium-sized enterprises (SMEs) in Nigeria, (Wlter, 2015). For the people in the area to make a living from creative activities, credit is essential, especially for traditional, seriously undercapitalized local companies. The availability of financing encourages prospective business owners to follow their aspirations more than any other service, (Zhu, 2017).

Strengthening ties with more established businesses is something small-scale enterprises should do. Organizations that support small businesses can offer information and knowledge sharing, as well as assist in opening opportunities for new markets, (Jones, at 2021). Small businesses may be able to work with larger corporations in the supply chain management by using this strategy. Specifically, in order to establish spaces for small businesses within those precincts, emerging businesses should collaborate with mall owners. In addition to helping small businesses access and use new technology, this networking should go hand-in-hand with the creation of online business platforms, (Gollust, 2019).

Growing a business depends on having the appropriate infrastructure, which includes utilities and transportation as well as economically priced, strategically positioned property or buildings and telecommunications, (Gollust, 2019). The government bears primary duty for providing small businesses with the necessary infrastructure and this obligation must be included in the Integrated Development Plan, (Wilson, 2011). Furthermore, legislation that supports small businesses must be connected to the development of infrastructure such as incubation facilities for start-ups. A community that is business-friendly encourages job creation and economic expansion. A central location where information about rules and regulations; tax filing and registration; financing options and business development training are easily accessible might be created by a city through creating a place which offers all the above for small businesses to get help, (Jones, 2021).

Short training workshop programs; some customized products; and intense training courses consisting of classroom-based workshops, practical sessions, and further counseling sessions are among the training options provided by the program, (Wilson, 2011). These are lengthier courses that are taught over several weeks with the goal of meeting the needs of SMEs as they expand and change over time. The program may offer a number of services that depend on direct cooperation with other organizations' chief among them being its credit facilitation service, which involves Barclays and Co-operative Banks. Universities are among the many official and informal connections that the program maintains, (Woods, 2021).

A market-oriented approach is aimed at enhancing small businesses' financing accessibility centers on mitigating the risks and expenses of transactions that are linked to this market segment, fortifying financial institution's ability to cater to small customers and boosting competition with the financial markets. The goal of this approach is to raise the proportion of financial institutions which believe lending to small businesses can be sustainable and lucrative, (International Finance Corporation, 1994). This strategy's components would be as follows:

- Decreasing obstacles to entrance, such as by reviewing prudential rules and capital adequacy standards that might not be suitable for financial institutions that serve small clients, (Eltahir, 2018).

- Minimizing the hazard linked to financing small businesses with an emphasis on regulations controlling contract enforcement, collateral forfeiture, collection and the utilization of mobile assets as security.
- Creating the frameworks for laws, policies and regulations that are necessary for the emergence of new financial instruments, including venture capital, small equity investment and leading.
- Encouraging technological innovation in specialized lending in order to lower the administrative expenses related to credit application, monitoring and payment.

The long-term prosperity of a small business is contingent upon the correlation between organizational changes and the ability to adjust to them. Hornstein (2015) asserts that effective communication and adaptable company procedures can help leaders to deal with change and overcome resistance when it comes to implementing regulatory changes. Thus, while implementing organizational changes, entrepreneurs must find creative ways to handle the business issues brought by business uncertainties. Sahut et al. (2014) suggest that there are three creative strategies put in place for a firm to survive; eliminatory exploration, original projection, and reflective dissension. When a management encourages innovation but disagrees with organizational practices, the results are reflective dissent.

Monitoring and evaluation interventions need to get far more focus if small business initiatives are to have a greater developmental impact, (Hallberg, 1999). The shift from public service delivery to market development necessitates the use of distinct methodologies when assessing an intervention's success or failure. Monitoring and assessment should take institutional performance and economic impact into account in line with the emphasis on market and institutional development, (International Finance Corporation, 1994).

To help small firms reach their full potential, some regulations, such as the zoning bylaws and complicated compliance requirements, must be loosened, (Yoshino and Hesary, 2016). Reducing unduly onerous regulations will help the government to recognize the contribution small companies may make to attaining national objectives; including reducing poverty, promoting equality, and creating jobs. In particular, since it has been shown that small enterprises that fail typically do so during the first three

years of existence, thought should be given to lower taxes or implement a zero-based tax for start-up businesses. Funding for small firms can also be expedited by reducing red tape, (Henrekson and Sanders, 2019).

Through encouraging the expansion of business support services for Small and Medium-sized Enterprises (SMEs), it is possible to increase the capacity of local service delivery. Accountants, lawyers, and business advisors are among the professionals offering these services and direct technical help and suitable trainer training could be used to support them. Development of market research companies, non-bank financial services, international franchise development, and yellow pages' directory creation are possible additional operations to be employed.

The SME sector thrives in many nations by eschewing the privatization process and avoiding the government. For SMEs to perform at their peak, the working environment must be improved, not only to be free from government intervention, but also with official endorsement and assistance, (King, 2018). Lessons gathered indicate that this will necessitate a two-pronged approach; mobilizing grassroots advocacy and offering technical help training, and education to national policymakers, (Haftay, 2012).

Information resource centers can be provided to meet the information needs of entrepreneurs, (King, 2018). These centers could provide other information required for managing a successful business, as well as technical knowledge required to support market research. Furthermore, the centers might be in charge of gathering and analyzing important data regarding the function and impact of SMEs on the economy. Government representatives might use this information to support changes in policy, which would encourage the growth of SMEs, (UNODC, 2012).

Marketing activities such as marketing communication; personal selling competition based pricing; and product development and distribution may help small business owners to emphasize differentiation based product market strategies in order to meet market goals, (Khan et al., 2014). Small business owners can use marketing communication to obtain information and advice, offer information about products and persuade target customers on the merits of a particular product, (King, 2018). Information is used to determine consumer preferences and to segment consumers'

benefits, effective promotional programs and marketing expenditures, (Barber, 2014).

Personal selling is a form of promotion in which small business owners can use marketing activities to create a competitive advantage in the market and provide a product that satisfies individual needs of customers, (Khan et al., 2014). Maintaining customer retention favors cross-selling and an increase in purchasing frequency. In the view of Khan (2014), the product is the core of marketing mix strategy and small business owners can differentiate their products from competitors' and offer broad product lines in order to enhance profitability and the market share position in the market. Focusing on differentiation-based product market strategies and resource deployments may help small business owners to meet product market goals, (Mohammed et al., 2014).

Effective public-private consultations (PPCs) lead to improved SME policy making because they bring private sector expertise, perspective and ideas into policy design and implementation, (Yang and Chin, 2017). Engaging SMEs in the regulatory process help in the increase of transparency and openness of the process, ensuring that SMEs' needs are properly addressed and that the regulation serves their interests, (OECD, 2017). In turn, increased transparency and stronger engagement by the private sector leads to a greater acceptance of government programs and projects and it enhances trust in government institutions, (OECD, 2018).

Since SMEs are usually less organized and not always members of the business associations which are regularly included in PPCs, it is vital for effective SME policy making to ensure that SMEs' voices are also heard in this process and their needs are addressed appropriately, (Khan, 2014). It is also important to highlight that consultations with the private sector should take place within a formal structure and at all stages of policy making, from preliminary discussions on potential legislation to the monitoring and evaluation of a given policy, (OECD, 2016).

The SME policy could also develop specific measures aimed at addressing the informal economy in order to ease the transition of SMEs on the formal sector. Efforts to fight the informal economy are mostly unaligned with the goals of the SME strategy, and are limited to horizontal measures to reduce the costs of formalization. Measures to combat informality have been introduced by the tax authorities, ministries of finance or employment agencies and target SMEs indirectly. North Macedonia is the only Western Balkans and Turkey (WBT) region economy to have introduced measures to

to combat the informal economy directly in its new SME Strategy, (OECD, 2019).

Through the promotion of product innovation and the development of institutional capacity, governments can expedite the creation of markets for financial and non-financial services tailored for the unique attributes of small firms, (UNDP, 2013). Increasing the number of financial institutions which believe lending to SMEs is sustainable and lucrative is necessary in the financial markets in order to improve SME access to credit, (Ganbold, 2008). This focuses government interventions on improving financial market competitiveness, bolstering financial institutions' ability to service small-scale clients, and lowering the risks and transaction costs associated with lending to this market segment, (Cho, 2010).

Similar principles underpin the Business Development Services (BDS) market development approach, which states that governments can encourage increased demand and supply of non-financial services suitable for SMEs by focusing their interventions on product development, market assessment, institutional capacity building, and results monitoring and evaluation, (Bear et al, 2002). The traditional public sector's engagement should be reduced and rationalized in tandem with efforts to build private BDS markets. Clear and transparent information source is necessary for making wise investment decisions and necessitating coordination. Bad information delivery, however, results in a waste and loss of investment opportunities, (Jim, 1999).

To ensure the smooth operation of a more competitive and sustainable industrial development, it is imperative in this situation to build a clear framework that will enable access to investment information and, at the same time, minimize the cost of searching for participation, (Walter, 2015). Increasing the amount of information that is available about industrial development also encourages more innovation in the creation of strategic policies, institutional management, and regulatory frameworks, (King, 2014).

To ensure the smooth operation of a more competitive and sustainable industrial development, it is imperative in this situation to build a clear framework that will enable access to investment information and, at the same time, minimize the cost of searching for participation. Increasing the amount of information available about industrial development also encourages more innovation in the creation of strategic policies, institutional management, and regulatory frameworks, (Hosono, 2022).

The strengthening of the management system encouraging SMEs to register legally even major businesses is essential and would result in excellent corporate governance with accurate balance sheets and accounts, (Hallberg,2001). In Cambodia, the target is for 80% to 95% of SMEs to be formally registered by 2025, with 50% to 70% of them having correct balance sheets and accounts, (Open Development Cambodia, 2018). This goal is actually straightforward but crucial because accurate book-keeping is one of the governance mechanisms put in place to ensures that businesses are operating as they should; holds owners accountable; provides assurance when obtaining funding; and serves as a foundation for the Royal Government's evaluation, in order to offer incentives and support such as technical assistance and training, (Royal Government of Cambodia, 2016).

Governments should encourage officials' capacity to effectively carry out the IDP vision and objectives through the preparation of short and medium-term action plans; institutional reforms and modernization; the consolidation of the investment management the and promotion functions; with the industrial development promotion function under the CDC's mandate (Royal Government of Cambodia, 2016).

Moreover, governments encourage in the preparation of medium-term plan to nurture the growth of SMEs by way of identifying enterprises with good export potentials; developing new products; linking to multinational corporations (MNCs); connecting them to the value chain and regional production networks; and preparing a concrete action framework to develop them, (Royal Government of Cambodia, 2016).

2.5 Theoretical Framework

2.5.1 Entrepreneurship Ecosystem Theory

The Entrepreneurship Ecosystem Theory is a framework that explains the complex network of factors and interactions that influence entrepreneurship within a particular region or context. It views entrepreneurship as a dynamic process that is influenced by various stakeholders, resources and environmental factors. The theory emphasizes the importance of a supportive ecosystem that fosters entrepreneurship and enables the growth and success of entrepreneurial ventures, (Mason and Brown, 2014).

Policymakers, development organizations and other stakeholders can find and put into place mitigating mechanisms to solve the challenges faced by locally owned small-scale businesses in Lesotho by utilizing the Entrepreneurship Ecosystem Theory. Lesotho's socioeconomic development can be facilitated by fostering an ecosystem that supports small-scale enterprises' growth and sustainability. This ecosystem includes government support; finance availability; education and training; infrastructure development; collaboration and networking; as well as a welcoming culture and regulatory framework.

The Theory of Entrepreneurship Ecosystems offers a useful framework for comprehending the dynamics of Lesotho's entrepreneurial environment and pin-pointing strategies that can lessen the barriers to the expansion of locally owned small businesses. Through an analysis of stakeholder interactions, resource flows, regulatory frameworks and adaption tactics, specific interventions can be devised to promote an environment that is more favorable for the growth of entrepreneurship in the entire country.

2.5.2 The Theory of Resource-Based View

The theory of Resource-Based View (RBV) provides a useful foundation for comprehending how Lesotho's small businesses might reduce the obstacles they encounter. The RBV theory states that a firm's distinct resources and capabilities are what essentially drive its performance and competitive advantage, (Barney, 1991). This idea implies that locally owned small-scale businesses in Lesotho can overcome obstacles and improve their competitiveness by efficiently utilizing their internal resource. The theory offers a basis for comprehending how Lesotho's locally owned small businesses can overcome obstacles and strengthen their position as market competitors, (Teece, 2007).

According to RBV, businesses have a range of material and immaterial assets at their disposal that they can use to gain a competitive edge. Within the framework of small businesses, these resources may comprise of capital, labor, land technology and expertise. There are four main parts to the RBV; this first is the valuable, uncommon and unique resources, whose aim is to obtain a competitive edge because organizations need to own resources that are valuable, uncommon and unique. This implies that the resources ought to be distinctive, difficult for other organization to duplicate and have a beneficial effect on a company's performance, (Amit and Zott, 2001).

The second is Heterogeneity, which means that the value, uniqueness, and imitability of the resources held by various organizations will differ. It is this heterogeneity that makes competitive advantage possible, (McGrath, 2001). The third main part to the RBV is Resource bundling and it posits that entities are able to pull their resources. The last part is Path dependence and it is the theory that an organization's past influences both its present capabilities and its capacity to develop new ones.

RBV places a strong emphasis on creating assets and competencies that are challenging for rivals to imitate. This could entail investing in technology that boosts production, forging solid bonds with the community or developing a reputation for excellence and dependability for small-scale businesses in Lesotho. Establishing a long-lasting competitive edge allows companies to maintain their market share and lessen growth obstacles. In particular, the RBV's focus on the importance of resources and capabilities can be applied to understanding how locally owned small-scale enterprises can overcome growth impediments.

The dynamic capacities perspective can be used to comprehend the various ways in which locally owned small-scale businesses might get past growth barriers. Firstly, it can be useful in determining the essential competencies and resources that these organizations must acquire to get past obstacles encountered. Second, it can be useful in comprehending how these organizations can develop new capacities and resources over time in response to evolving conditions. Third, it may be beneficial in understanding how an organization's path dependence may impact its capacity to get past growth barriers. Fourth, knowing how to manage an organization's resource bundles to increase the likelihood of success might be helpful.

Locally owned small businesses must recognize and capitalize on their most valuable assets in order to get past growth barriers. This can involve resources such as knowledgeable workers, capital availability and market awareness in the area of a business' operations. These companies must be able to modify their resources packages over time in reaction to evolving conditions, that is, they might have to make investments in new technologies or create new goods or services. An organization's capacity to overcome growth obstacles may be impacted by its route dependence; for instance, whether a company has established trusting bonds with its supplies or not.

RBV advises businesses to concentrate on developing and enhancing their core competencies, or the special aptitudes and talents that make them stand out from their rivals. For small businesses in Lesotho, this can entail funding staff training initiatives, creating cutting-edge goods or services or boosting productivity in particular departments. Businesses can boost development and their competitive position by concentrating on their core skills, (Powell, 2006).

Lesotho's small businesses may have difficulties because of restricted access to tangible resources, including building, machinery and infrastructure. Public-private partnerships, shared infrastructure, and resource pooling efforts are examples of mitigating mechanisms that can be used to increase access to vital resources. For small businesses to succeed, there must be a talent pool of competent workers and entrepreneurs. To enhance human capital and entrepreneurial abilities among local entrepreneurs, mitigating mechanisms can include training programs, capacity-building initiatives and mentorship opportunities.

Small businesses can become more competitive by embracing innovation and new technologies. Technology transfer initiatives, partnership with academic institutions and financial investments in R&D aimed at promoting industry innovation are a few examples of possible mitigating mechanisms and creating distinctive goods and services can make small businesses stand out from their competition. In order to distinguish items and draw in customers, mitigating mechanisms may include market research projects, product diversification plans and branding campaigns. This sustainability of small-scale firms is contingent upon the implementation of effective governance and management practices. A few examples of mitigating mechanisms are managerial training programs, the application of sound corporate governance principles, and the creation of transparent organizational procedures and structures.

For small businesses, forming strategic alliance and partnerships can open up new markets, possibilities and resources. In order to promote partnerships and collaboration, mitigating mechanisms may include industry associations, business matchmaking websites, and networking. Small businesses can increase their long- term viability by using sustainable business strategies. In order to have a good effect on the environment and society, mitigating mechanisms can include supporting eco- friendly practices, sustainable sourcing methods and social responsibility programs. Establishing a distinctive market position and developing a strong brand can assist small businesses to attract clients and cultivate a devoted clientele. Marketing campaigns, branding strategies and market positioning initiatives put in place to set the company apart in the marketplace are other examples of mitigating mechanisms.

The RBV perspective has a significant impact on the human capital theory of entrepreneurship, which is mostly based on the idea that investing in education increases one's earning, (Barney, 1991). In this theory, better education and experience are associated with more ambitious entrepreneurial goals. High levels of human capital give potential entrepreneurs a major edge; in particular, advanced education and managerial experience have a beneficial impact on entrepreneurial entry, (Kim et al., 2006). Lack of entrepreneurial skills among business owners has little effect on businesses; instead, it may cause the companies to be cut off from the supply chain. Thus, entrepreneur competencies have significant effects on a firm's performance and they play an important role in the success of a business, (Adam et al., 2022).

In order to take advantage of opportunities and mitigate dangers, RBV advises businesses to constantly assess their external environment and modify their capabilities and resources. This can entail being mindful of modifications to consumer tastes, adjustments to laws and regulations or developments in technology for Lesotho's small businesses. Businesses can place themselves for growth and successfully respond to changes in the external environment by remaining flexible and nimble, (Smith, 2006).

In summary, both theories are valuable in understanding how businesses and entrepreneurs can create and sustain competitive advantages in their respective

environments. The RBV emphasizes the internal resources and capabilities of a firm as a source of competitive advantage. The theory stipulates that a firm's unique resources such as a technology, human capital and brand reputation can enable it to achieve sustainable competitive advantage and superior performance.

Furthermore, the Entrepreneurship Ecosystem Theory focuses on external environment in which entrepreneurship takes place. It emphasizes the interconnectedness of various actors and factors that influence entrepreneurial activities including government policies, access to funding and the presence of mentorship networks.

The theory of the Resource-Based View offers an insightful viewpoint on how the distinctive assets and competencies of locally owned small-scale businesses in Lesotho might be utilized to surmount obstacles and accomplish sustainable expansion. It is possible to build mechanisms that improve the competitiveness and resilience of small-scale firms in the local entrepreneurial ecosystem by concentrating on resource heterogeneity, complementarity, dynamic capacities and strategic resource allocation.

2.6 Conclusion

The small-scale enterprises are the pillars of the economy of developed and undeveloped countries. They play a vital role in fostering economic development since they contribute significantly towards employment generation, economic diversification and fostering entrepreneurship. Growth is an important phenomenon in small enterprises; because their survival essentially depends on their power to participate in the market. Many organizations, governments and non-governmental organizations are involved in the process of developing their economies through the small-scale sector as part of the purpose of strengthening their economy socially, financially and technologically. Most times, businesses are thought of as a black box on what concerns to their development.

This section examined Lesotho's entrepreneurial impediments, coping strategies and actions to influence in the development theatre, including government intervention, which is perceived as an engine to support and promote the growth of small-scale industries because they contribute towards a business' overall economic resilience and inclusivity.

The study was undertaken because of a complex phenomenon on impediments of small-scale enterprises which required further research since several studies have been developed to measure companies' growth. For such, the need for further studies was justified due to the fact that theories which were developed to explain the impediments of big enterprises are not adapted to foreground the same phenomenon in small ones. Although many scholars articulated that many small-scale enterprises are essential for socio-economic development of a country and these includes among others, employment generation, income distribution, export promotion, rural development, maintenance of traditional skills and crafts to mention a few. Lesotho is faced with a myriad of challenges that impede on businesses' their growth and sustainability.

CHAPTER THREE

RESEARCH SETTING AND METHODOLOGY

3.1 Introduction

This chapter primarily centers on the methods, instruments, population, and samples utilized in the study to effectively assess the impediments of locally-owned small-scale enterprises. Additionally, the chapter provides an explanation of the philosophical research paradigm, the approach adopted in this study, and the research design employed. Ultimately, the discussion encompasses the methods used for data generation and data analysis.

3.2 Study Area

The study was conducted in Lesotho and the study area was Roma and Maseru in the capital city because of the observation that most businesses in the country emerged from such places in a large number. In Roma, there is the National University of Lesotho (NUL) and it attracts both local and international students. This notion means that the local small-scale businesses are available in Roma in large numbers to serve the students and the Roma residents. Maseru was chosen because this is the capital city of Lesotho and many small-scale businesses are opened to serve the multitudes of the district residents.



Diagram 1: Lesotho Map

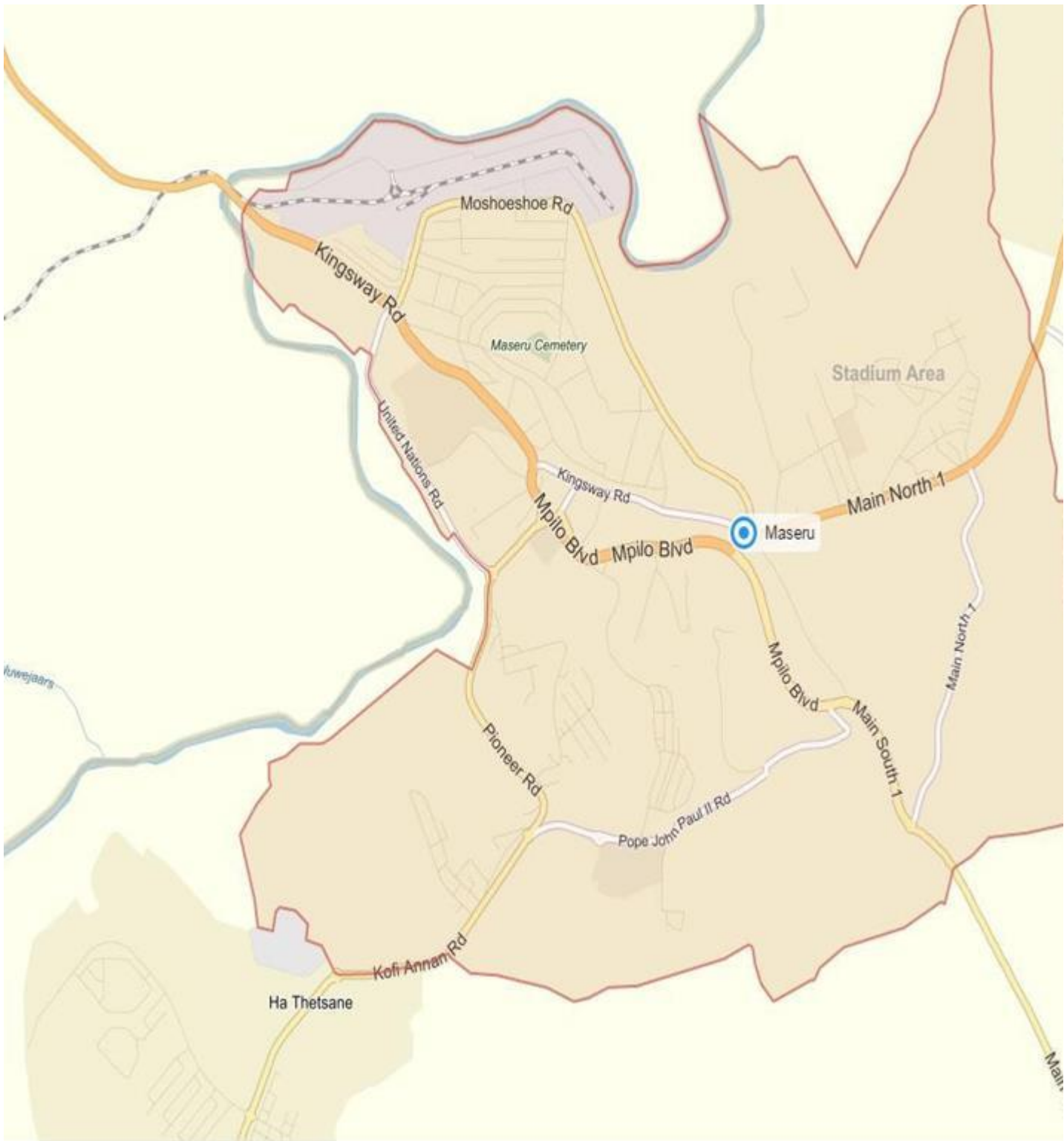


Diagram 2: Maseru Map

3.3 Study Approach

This study followed a mixed methods approach. The approach is a procedure for collecting, analyzing data which involves the mixing both quantitative and qualitative data within a single study, (Tashakkori and Teddlie, 2003). This mixture of research approaches is purposely done to understand a research problem from different viewpoints, (Creswell, 2002). The aim of mixing the methods is that neither qualitative nor quantitative methods may be sufficient to solely capture the trends and details of the situation in a given study. The two research approaches complement each other and allow for more complete analyses when used in combination, (Green, Caracelli and Graham, (2001), Tashakkori and Teddie, 1998).

For the quantitative research approach, a researcher relies on numerical data, (Charles and Mertler, 2002). It provides estimates for a large number of indicators on the situation of small-scale entrepreneurship for Maseru and Roma. In the qualitative research approach, a researcher tries to understand the situation by developing a complex, holistic picture, analyses words, reports detailed views of informants and conducts the study in a natural setting, (Creswell, 1998).

3.4 Population of the Study

The target population consisted of locally owned small-scale entrepreneurs operating in various sectors across Maseru town and Roma. Small businesses that are owned by individuals or families in both Maseru and Roma and business owners that operated in the retail sector such as agriculture, manufacturing and retail services were included in the study.

3.5 Sampling Techniques and Sampling Size

Maseru and Roma were identified as the main sampling strata. Within each stratum, a specified number of survey enumeration areas were selected systematically with a probability proportional to the sample size. After local small-scale enterprises listing was carried out with survey enumeration areas (Maseru and Roma), a systematic sample of 54 overall local small-scale entrepreneurs was drawn in the sample enumeration areas. This sample of entrepreneurs was selected based on criteria such as business size, years in operation and geographical location.

The sample size was based on 40 participants using the quantitative method. From that

sample size of 40 participants, the researcher used stratified and simple random sampling for data collection. The sample size was taken by a quota. From each quota, a stratified sample technique was used whereby each sub-population was divided into strata. In those strata, a lottery form of sampling techniques was used and the participants' stall were written from one up to the last stall number and then simple random sampling was used where each participant had an equal chance of been selected. All statistical analysis of quantitative survey results was utilized by Statistical Package for Social Sciences software (SPSS). This method yielded highly reliable and valid data.

As indicated earlier, the mixed methods were used, the researcher opted to use qualitative approach whereby 14 participants took part in the survey. Purposive and snowballing sampling methods were chosen to ease with the location of the participants. The purposive and snowballing techniques were used when the researcher only knew one key informant who then led the researcher to other potential key participants through snowballing until data reached saturation. The data was collected both in Roma and Maseru from those immersed in everyday life of the setting in which the study was framed. These are small-scale owners and thematic analysis was employed for data analysis.

3.6 Data Collection Methods

3.6.1 Survey

Data was collected by surveys. A structured questionnaire was developed to collect primary data from locally owned small-scale entrepreneurs in Maseru and Roma. The questionnaires were designed to capture information about the impediments faced by entrepreneurs and the coping or mitigating mechanisms by the entrepreneurs.

3.6.2 In-depth Interview

The questions that were asked included the following:

- What are the biggest challenges that you face as a small business owner in Lesotho?
- How do these challenges affect your business growth?
- What strategies have you used to overcome these challenges?

- Are there any government programs or policies that you believe have been helpful or useless in supporting your business?
- What changes would you like to see from the government to better support small businesses?

The in-depth interviews were conducted with a subset of entrepreneurs representing diverse sectors. These interviews allowed for a deeper understanding of their experiences, challenges and potential solutions. In-depth interviews were conducted to encourage detailed responses.

3.7 Data Analysis

Data analysis is based on the values that these participants perceive for their world. This ultimately produces an understanding of the problem based on multiple contextual factors, (Miller, 2000). From the mixed method approach, a researcher builds knowledge on pragmatic grounds. The reason is that both qualitative and quantitative approaches are compatible with the study. This therefore, means that both numerical and text data, collected sequentially or concurrently, can help better understand the research problem.

The data generated from surveys and interviews was analyzed using qualitative research approach. This involved coding and categorizing the responses to identify the responses, recurring themes and patterns. This further helped the researcher to find out issues, needs and experiences of the participants thus the researcher pulled out a profound and diverse feedback from participants and some valuable insights were considered and shared during the interview.

Conversely, the quantitative data analysis involved statistical techniques; for this study, the SPSS was used to identify the frequency and distribution of specific challenges faced by entrepreneurs and the mitigating mechanisms on small-scale enterprises' growth in Lesotho. Due to the larger amount of data, this method helped the researcher because it is fast, focused, reliable and scientific. Moreover, the findings were concerned with facts and verifiable information hence eliminating bias and broadening the study.

3.8 Rigor of the Study

The rigor of a study is the true measure of its value and the extent to which its findings can be trusted. To ensure rigor in this research, the researcher focused on maintaining discipline and excellence throughout the entire research process, as emphasized by Nowell et al. (2017). Recognizing the importance of approaching data generation without preconceived notions, the researcher adhered to three fundamental research principles: triangulation, confirmability, and transferability.

3.8.1 Triangulation

Triangulation, as advocated by Bhandari (2022), is a method used to enhance the reliability and credibility of research findings. In this study, methodological triangulation was employed and this means that three distinct data generation methods were utilized to complement and corroborate one another. For example, data from interviews was compared with that from surveys. This rigorous approach ensured the validity and trustworthiness of the findings of the current study.

3.8.2 Confirmability

Confirmability, as postulated by Nowell et al. (2017), signifies the absence of discrepancies in a study. It implies that the findings, conclusions, and recommendations are firmly grounded on the generated data. Furthermore, it necessitates consistency between data interpretation and the actual generated data. To uphold confirmability, this research presents quotations from participants' responses, ensuring that the data presented is an accurate representation of what was generated, free from the researcher's bias.

3.8.3 Transferability

Transferability, as defined by Stahl and King (2020), refers to the extent to which the findings of a study can be applied to other samples, contexts, times, and populations. To address this aspect, the research provided comprehensive and explicit descriptions of the entire research process, along with justifications for the selection of each data generation method. This transparency allows readers to assess the applicability of the findings to different contexts and situations, thereby facilitating their decision on whether the study is relevant beyond its specific setting.

3.9 Ethical Considerations

When conducting this study, the researcher was aware of their responsibility to uphold ethical principles throughout the research process. Given that this study involved interactions with human participants, it was imperative to prioritize and respect their rights. The following ethical guidelines formed the foundation of this research. This was done in accordance with National University of Lesotho protocol to protect the participants at all costs.

3.9.1 Confidentiality and Anonymity

Confidentiality, as defined by Holland and Linvill (2019), is the safeguarding of participants' personal information. It is achieved through a mutual agreement between the researcher and the participants. Holland and Linvill (2019) elucidate that both the researcher and the participants consent to the non-disclosure of any of the participants' information unless otherwise discussed between the two parties involved. To uphold this, researchers must remove personal identifiers from all study documents and encrypt all electronic files, (Holland and Linvill, 2019).

Anonymity, as emphasized by Hoft (2021), underscores the significance of ethical research practices. In the context of anonymity, Hoft (2021) notes that it entails the notion of not revealing any information about the participants to anyone, either during or after data generation. Such information includes the participants' roles in the study, real names, locations, and contact details, (Hoft, 2021). These measures are implemented to protect the participants.

Participants were informed of their right to protection throughout the study process. Measures were put in place to ensure that there are no means to link participants to any information within the study. Specifically, the use of participants' real names was avoided and the names of the businesses involved in the study were also concealed to guarantee anonymity. Furthermore, data generated from the study has been securely stored to maintain confidentiality.

3.9.2 Beneficence and Maleficence

The principle of beneficence, as articulated by Beauchamp (2019), obliges the researcher to prioritize the best interests of the participants over their own. This ensures that the researcher's interests do not take precedence over the well-being of the participants. Additionally, it maintains that participants should not be subjected to any form of harm as a result of the study. This entails safeguarding participants from spiritual, economic, physical, psychological, or legal harm stemming from the research.

On the contrary, maleficence pertains to the conduct of the researcher, as described by Beauchamp (2019). It underscores that the researcher must avoid any actions that could endanger the well-being of the participants. To adhere to these principles, the researcher was vigilant in regulating their behavior, and the names of the participants involved in the study were deliberately omitted, ensuring their anonymity and protection from potential harm.

3.9.3 Fidelity and Autonomy

The principle of fidelity entails the situation of the researcher earning the trust of the participants. This trust can be established through openness and honesty regarding the research objectives and methodology. Accordingly, throughout the research, complete honesty and transparency were maintained. The participants were provided with a thorough explanation of the study; adhering to the principle of autonomy. This principle dictates that researchers must disclose all relevant information about the research, enabling participants to make informed decisions regarding their participation, (Varkey, 2021). Thereupon, the researcher ensured that all participants were provided with comprehensive information related to the study, empowering them to make informed choices about their involvement in the research.

3.9.4 Dignity and Rights in Participation

The concept of dignity pertains to the treatment of individuals with respect. Since qualitative researchers directly engage with human participants, it is crucial to ensure that participants' dignity is preserved throughout the research process, as emphasized by Evans and Wolf (2019). This can be achieved by upholding the rights of the participants involved in the research. Researchers must acknowledge that participants have the right to decline participation in the study and that they have the right to withdraw their consent at any time during the study if they choose to do so. It is essential to

recognize that cultural differences may affect the importance placed on principles such as confidentiality and anonymity; however, these differences should not be used as a justification to disregard participants' rights.

To adhere to these principles, the researcher explicitly informed the participants that they had the option to decline participation in the study and could withdraw their consent at any point during the research. This information was also communicated to the business entrepreneurs.

Furthermore, as emphasized by Evans and Wolf (2019), researchers must respect participants' rights to privacy. When recording interviews, researchers must inform participants of the recording and should not conduct video recordings without prior notification. Researchers should also be mindful of participants' private time and avoid contacting them during personal hours unrelated to the research. For instance, in this study, the researcher refrained from contacting participants during their private time to discuss research-related matters.

3.10 Conclusion

This chapter centers on the methodology employed throughout the research. It elucidates the research paradigm, research approach, and research design adopted in the study. The chapter provides a detailed account of the data generation process, encompassing all three research instruments used in the study. Finally, the chapter delves into the ultimate value of the study's outcomes and the ethical principles adhered to throughout the research.

CHAPTER FOUR

DATA PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the data and its interpretations. In this study, the researcher sought to unearth factors hindering the growth of small enterprises. The research's objectives were pursued through the use of qualitative and quantitative methods in order to ensure a comprehensive approach in delving into the issues hampering small businesses' growth. Qualitative data helped in the exploration of the questions the study sought to answer while quantitative data helped in the assessment of the level and significance of the problems hence the study followed exploratory sequential mixed methods. The researcher also collected demographic data so as to understand the caliber and characteristics of respondents. The subsequent section presents the fieldwork data and its analyses.

4.2 Socio-Demographic Profile of respondents

Small-scale enterprises play a crucial role in Lesotho's socio-demographic landscape. Currently, the country's small-scale business sector is diverse and it ranges from agricultural activities, services that include among others, carpentry; food stalls; salons; crafts and arts; fruits and vegetables shops; and tailoring. Most of these locally owned small-scale enterprises businesses are often family owned and operated; however, some partnerships outside the family setting. Phoofolo (2018) argued that the small-scale enterprises sector creates jobs, fosters broad-based development and income distribution. This study submits to Phoofolo's (2018) above assertion because some participants posit that small-scale enterprises have lower barriers of entry compared to larger corporations; making it easier for women to establish them in large numbers as with their male counterparts.

This study depicted the fact that Lesotho's socio-demographic profile is characterized by factors such as location, gender, educational background, business ownership and age (duration). A business' location plays an important role in attracting and retaining customers. It is a crucial determination that must be considered when establishing a business because the selection of an appropriate business location is very influential for its sustainability. Generally, most Basotho small-scale enterprises are opened in areas that are densely populated in settlements such as urban areas. It is against this background that the researcher sought to choose Roma and Maseru in town.

Both locations have become a place where most entrepreneurs seek to place their goods and services to start their businesses because Maseru is a populated capital city characterized by many diverse businesses and Roma is also a populated area with the Roma locals and the National University of Lesotho (NUL) being a majority populated area with a lot of Basotho and international students. As a result, many diverse businesses emerge in to take advantage of this large group of potential buyers. The large number of the Roma community can be a potential market for a business area. This can cause the phenomenon of the proliferation of service businesses that are established around the National University of Lesotho main campus. Generally, businesses that develop around the campus are small-scale and many are equipped with modern facilities to satisfy customer needs.

In addition to location, gender was included because many gender considerations in businesses are crucial for their sustainable economic development. The benefit of incorporating the gender dimension included increased scientific creativity and excellence as well as the inclusion of all potential users of products and services. This created more inclusive research results. Figure 1 shows the overall sex of respondents both for Maseru. It was found that Maseru town had 59% male participants while women were 41% in totality. For Maseru, 67% was female-owned businesses while 33% of the businesses were males owned. Figure 2 shows that in Roma, 64% of the businesses involved in the study were female business-controlled while 36% of the businesses were male-owned. This shows that both Roma and the Maseru town have the highest number of females entering into the business sector as opposed to their male counterparts. This can be attributed to the belief that they are better educated, they value business longevity, they are emotionally intelligent and they wish to close the income gap between them and males and rise to leadership positions.

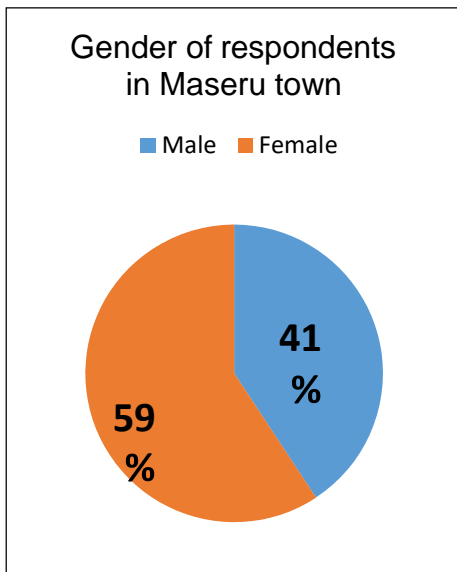


Figure 1: Gender of respondents in percentages for Maseru town

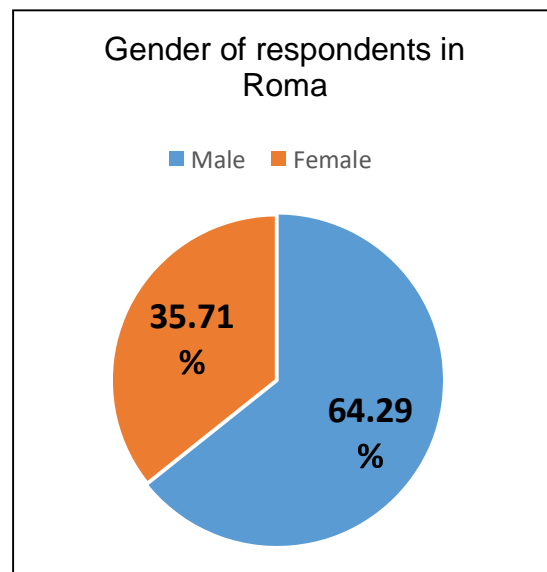


Figure 2: Gender of respondents in percentages for Roma

The owner's educational background plays a pivotal role in business-oriented. Technological advancements in the 21st century has seen a shift in businesses that have started promoting their goods and services through advertising and product knowledge using technology. Nonetheless, both Roma and Maseru town are characterized by high levels of business owners who are graduates; which shows that businesses are a viable opportunity to make a living and it also provides students with the propensity to recover quickly from failure, eagerness for innovation and an ambition to strive for better goals.

Figure 3 illustrates that in Roma, primary level and vocational level business ownership was less. Only 50% of the respondents have secondary school qualifications and the other 50% has tertiary level qualifications. This shows that businesses can now be run by educated people and some go into business with different perceptions since unemployment rate is also high in Lesotho. Figure 4 shows that in the Maseru town, 10% of the respondents have primary education, 25% have secondary school qualifications another 25% have vocational/technical qualifications while 40% had tertiary level qualifications. The variation between both places occurred because Roma is academic-oriented while Maseru town is not because of its diverse population.

Basotho lack entrepreneurial skills on how to run businesses hence they do not have many business collaborations due to business illiteracy? Khoase (2011) observes that British colonization never prepared Basotho for entrepreneurship. The colonizers left in 1966 and had never taught Basotho how to run their businesses.

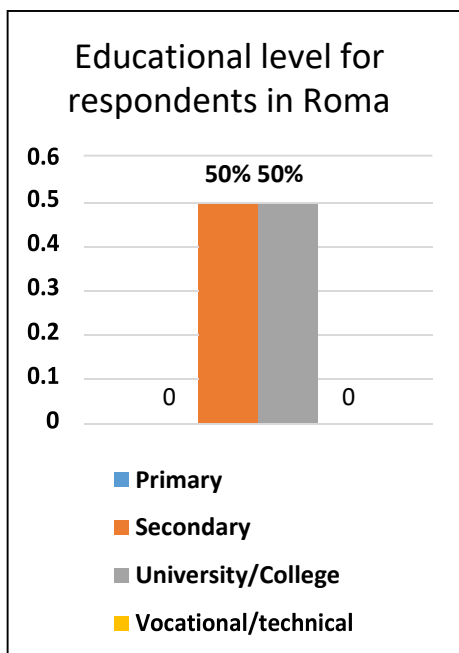


Figure 3: Educational level for Roma respondents in percentages

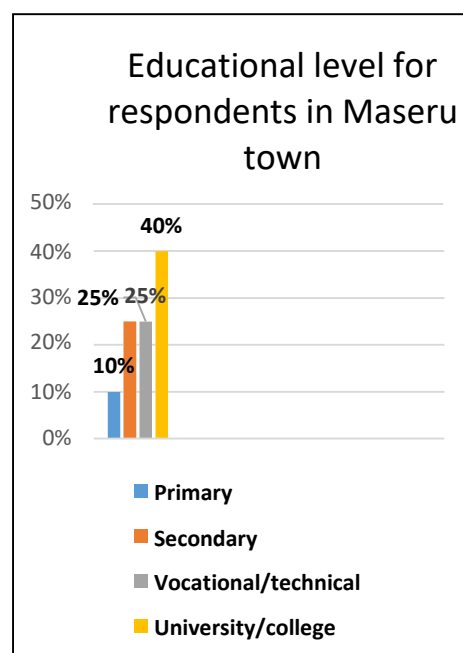


Figure 4: Educational level for Maseru town respondents in percentages

Conversely, business ownership is very important because that is the driving force for Lesotho's economic growth. Some businesses are co-owned and they grow faster than sole-owned businesses. Figure 5 shows that in Roma, 71.4% businesses are privately-owned while 28.6% are co-owned. This shows that trust and loyalty of many Basotho entrepreneurs solely relies on themselves for the survival of their businesses rather than cooperation. Figure 6 illustrates that Maseru town has 17.5% of sole-owned businesses while 82.5% of the businesses are co-owned. The study found that more businesses are co-owned in Maseru town than in Roma because of various reasons including competition, time management and skills apprentice.

The central notion of many co-owned businesses has been highlighted by some of the respondents; highlighting that the pooling together of financial resources is pivotal for the survival of their businesses. The different owners in co-owned businesses contribute financial resources in proportions and ways agreed upon by the associate-owners. As a result, there are more resources in such businesses compared to sole-owned businesses. This study discovered that many people join businesses in pursuit of cooperation to beat the obstacles along the way.

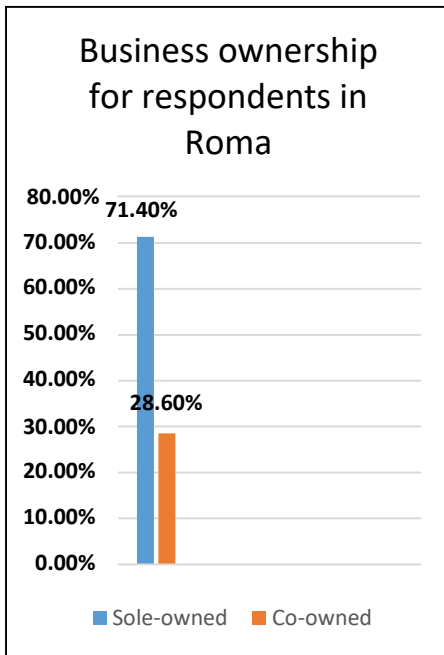


Figure 5: Business ownership for respondents in percentages for Roma

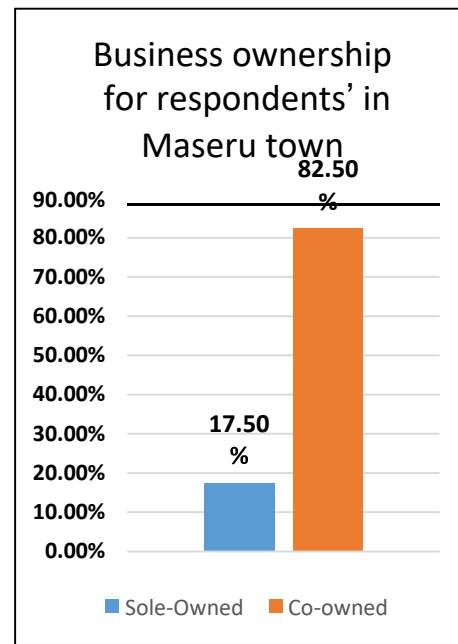


Figure 6: Business ownership for respondents in percentages in Maseru town

The trading duration of a business is recognized as a very essential element and is categorized by of socio-demographic profile of small-scale businesses. The trading duration determines whether the business is growing or not and the amount of energy and funds invested in the business. The researcher categorized the trading duration period by less than a year, 1-5 years and 5 years and above. The likelihood is that the longer the operational duration of a business, the more it is growing and vice-versa. Figure 7 shows that in Roma, 28.6% of the respondents had operated their businesses for less than a year, 50% had operated their businesses between 1- 5 years and 21.4% had operated for the duration of above 5 years. Moreover, Figure 8 indicates that in the Maseru town, 47.5% of the respondents had operated their businesses for less than a year, 50% had operated between 1 to 5 years and only 2.5% had operated their businesses above 5 years.

The findings reveal that in both Maseru town and Roma, business growth was influenced by the length of the businesses' operations because having run a business or influenced by the age of the enterprise plays a pivotal role. The business unit that has been in operation for longer gets more experience or learning curves than those which do not. This shows that business experience implies the ability to run a business better and the business in turn grows faster, ceteris paribus.

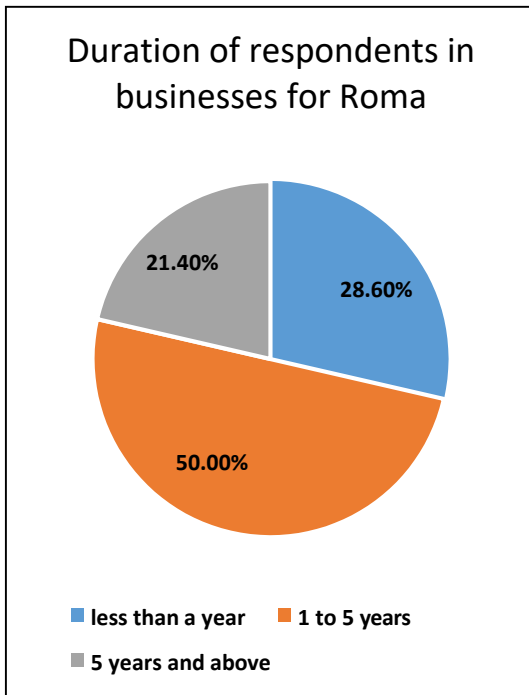


Figure 7: Duration of respondents in business for Roma.

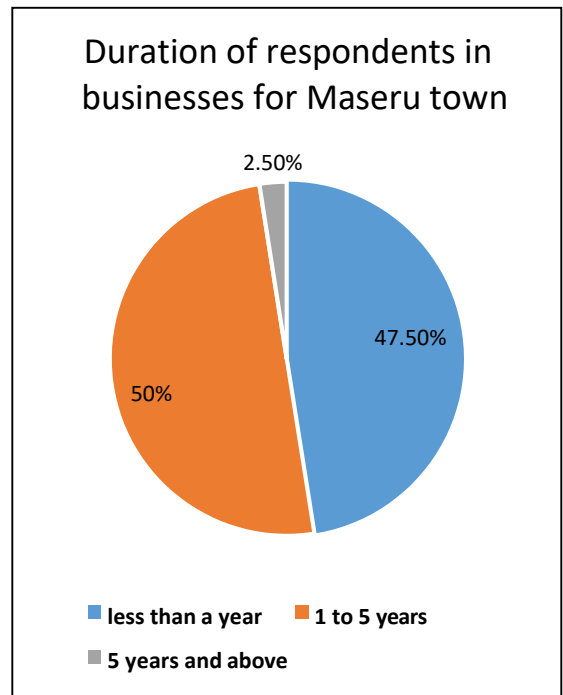


Figure 8: Duration of respondents in business for Maseru town.

4.3 Impediments of Local Owned Small-scale Enterprises Growth in Lesotho

Locally owned small-scale enterprises face several impediments to their growth and they may include financial constraints, market constraints, high competition, and lack of management skills. This study examined the impediments of locally owned small-scale enterprises' growth in Lesotho. In this regard, the respondents enumerated several obstacles that are hampering the growth of their businesses. The major identified challenges from this study are classifiable into different categories; namely financial constraints, market constraints, bureaucratic constraints, and lastly literacy constraints as shown in Figure 9.

Figure 9 illustrates that the highest percentages of impediments of the locally owned small-scale enterprises is financial challenges; which constitutes 52%. It is followed by bureaucratic constraints with 15% and this is caused by the lengthy approval processes small businesses may need in order to obtain licenses and permits because these processes can be slow and time-consuming. Market constraints amount to 12% and this is because small businesses face intense price competition from larger, more established companies. Literacy constraints followed with a total of 11% caused by the realization that small business owners lack technical skills in areas such as technology, design and that the small businesses owners may lack knowledge about business principles. The lastly is infrastructure development, which is a total of 10% from the

realization that small businesses operate in areas with poor infrastructure. Again, small businesses may lack access to advanced technology.

Figure 10 shows that in Roma financial constraints is the most prevalent with 35%, also figure 11 shows that Maseru town financial constraint is still most prevalent with 47.5%. The respondents claimed that they do not have enough funds to expand their businesses. It emerged from the study that through financial assistance from government and other stake-holders, the owner would be able to run their businesses to the next level. Through bank loans, they posit that there are strict lending procedures which make it very difficult to access them. Khoase (2011) confirms that one of the biggest problems facing Lesotho's small business owners is getting access to financing. For some, there are strict lending standards, high interest rates and lack of capital, which all make it difficult for small-scale businesses to obtain the money they need for their growth, operation and innovation.

Literacy constraints entail that the development of locally owned small-scale enterprises' growth in Lesotho is hampered by a lack of entrepreneurial expertise and understanding. The inability of entrepreneurs to obtain high-quality business education and training programs impedes on their capacity to acquire critical competencies in areas such as marketing, financial management and strategic planning. Education plays a pivotal role in business operation because respondents mentioned that without business education, they are not able to run their businesses which lead some of their struggles. Product knowledge is the key to their business survival and it is only through business literacy that they would be able to understand the nature and challenges of their businesses.

In terms of bureaucratic constraints, Lesotho's business regulations, licensing procedures, tax requirements, labor laws and compliance with small-scale businesses is a hindrance to the success of small scale businesses. The respondents also mentioned that the bureaucratic nature of the system hampers their business growth because there are no stipulated laws to support the nature of their businesses fully. Some of the laws are out dated and need to be amended. They also mentioned that Lesotho's infrastructure is not conducive to accommodate many of their businesses' nature. The Maseru City Council is blamed for not taking good care of Basotho's small-scale businesses into consideration.

Market challenge is another obstacle which impedes on locally owned small-scale businesses. It depicts that the businesses do not have adequate market to sustain them.

For this reason, some businesses do not last longer due to failure to meet their day-to-day running expenses. Moreover, some respondents blame the competitors who sell similar products next to their work stations and that have hindered the progress of their businesses. This research found that in the Maseru town market is also a challenge about 37.5% of respondents who have market challenge also in Roma market is still a challenge about 14.29% of respondents who have market challenge. Locally owned small-scale businesses in Lesotho often face difficulties in accessing broader markets beyond their local communities. Limited market access restricts businesses growth potential and makes it challenging to scale up operations. Eltahir (2018) argues that markets tend to be more efficient for larger firms than for smaller and newer firms, which compel the smaller firms to be dependent on external sources of finance, thus forcing the smaller firms to raise adequate risk capital, especially for innovative, high-technology small firms and for businesses that operate in disadvantageous areas.

Infrastructural constraints have also hampered the growth of Basotho's businesses. This can be evidenced by the indication of 6.25% Maseru town and the 12.5% in Roma from the respondents. Poor infrastructure, including unreliable electricity supply, inadequate road networks, and limited access to technology, hinders the productivity and efficiency of small-scale enterprises in Lesotho. This lack of reliable infrastructure restricts businesses' ability to reach customers beyond their immediate vicinity, thereby hindering their potential for expansion and market growth.

Mukherjee (2018) agrees that the competitive standards are increasingly changing due to the growing needs and preferences of customers, technical advances and business globalization.

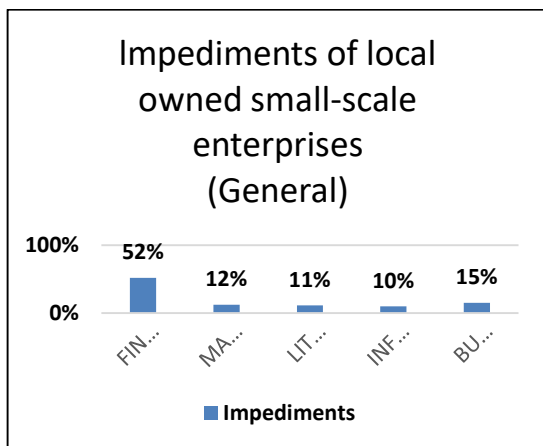


Figure 9: Impediments of local owned small scale enterprises (General)

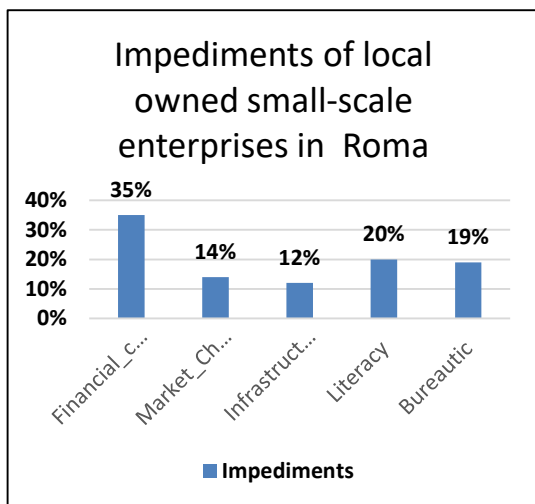


Figure 10: Impediments of local small-scale owned enterprise in Roma

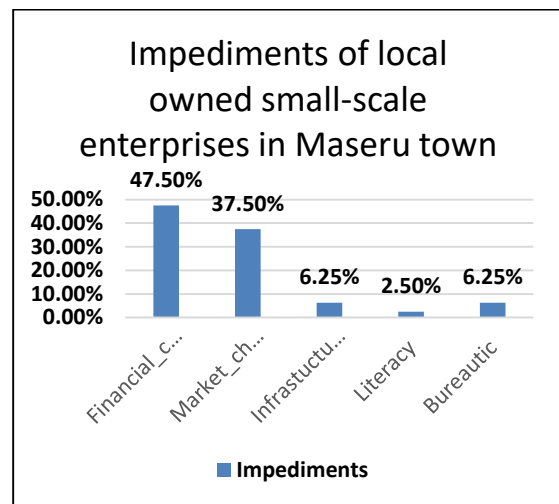


Figure 11: Impediments of local Small-scale enterprises in Maseru town

Overall, Figure 12 illustrates the nature of interconnectedness and interdependence between the above variables. The principal core issues tabled by the respondents show that financial constraint is the main challenge that has negatively affected the growth of small-scale businesses and all follow the same pattern. The respondents argued that the “Lesotho government does not meet us half-way financially through lending of business loans in an affordable manner”. They argued that even the lending of loans through local banks such as Post Bank and the Ministry of Trade and Industry. Small Business is done in a very restrictive manner through regulatory laws and procedures.

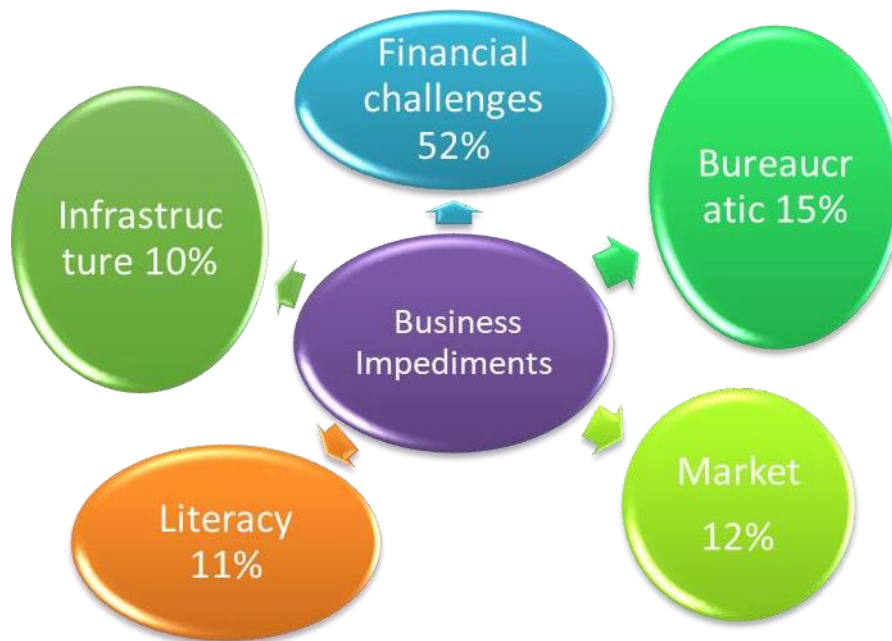


Figure 12: Nature of business impediments

Source: Fieldwork

4.3.1 Comparative analysis of business impediments in Roma versus Maseru town

The study was on the impediments of locally owned small-scale enterprises' growth in Lesotho. Figure 13 and Figure 14 show that Maseru town had worse impediments than Roma. For the Maseru town, about 47.5% of the respondents claimed that they have financial challenges pertaining to their businesses while in Roma, about 35% of respondents also mentioned financial challenges as hampering the businesses. Financial challenges amount to the highest percentages for both location and highest percentages compared to other impediments. This is due to high interest rates and lack of capital. Literacy constraints amounts to 20% in Roma while in Maseru, it amounted to 2.5%. Market challenges show 14.29% in Roma while in Maseru town they show 37.5%. This is because in Maseru town, businesses have high competition of the market than in Roma.

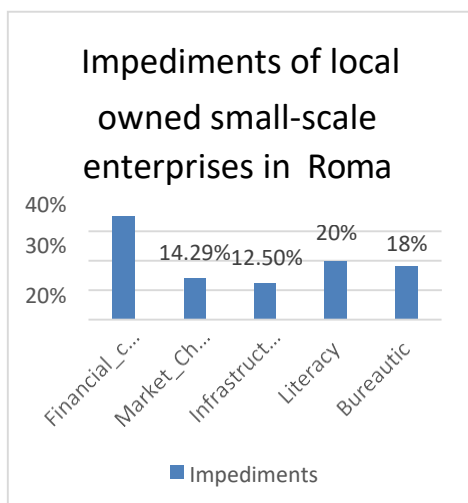


Figure 13: Impediments of local small-scale enterprises in Roma

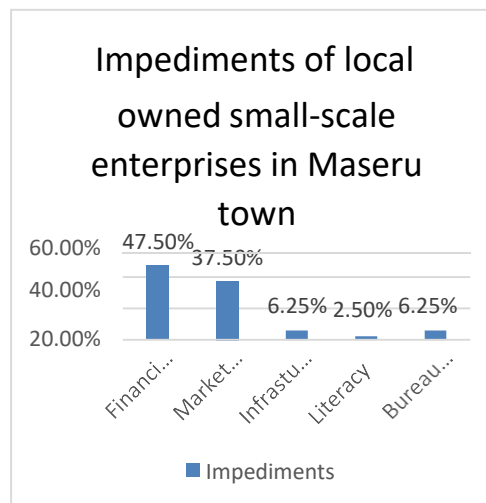


Figure 14: Impediments of local owned small-scale enterprises in Maseru town

4.3.2 Comparative Analysis of Business Impediments between Genders

The research found that impediments of locally owned small-scale enterprises' growth in Lesotho were differentiated. Table 4.1 shows that in Maseru town, female business owners had more financial challenges, with 25%, than males, with 7.5%, while in Roma, females and males had the same percentage of financial challenges. Similarly, in Maseru 17.5% of the female participants had infrastructure challenges while 5% of the males had infrastructure challenges. In contrast, Roma respondents had the same percentage of 14.3% of males and females who had infrastructure challenges. Moreover, 22.5% of female owners had literacy challenges while 7.5% of the male had them in Maseru although in Roma, there were no respondents who reported that they had literacy challenges. Additionally, the research found that female business owners had the highest percentages of impediments that affect the growth and sustainability of their businesses in both Maseru town and Roma.

Table 4.1: Cross Tabulation between Impediments and Gender

Impediments	Maseru town Business Gender			Roma Business Gender		
	Female	Male	Total	Female	Male	Total
Financial challenges	10 (25)	3 (7.5)	13 (32.5)	2 (14.3)	2 (14.3)	4 (28.6)
Infrastructure	7 (17.5)	2 (5)	9 (22.5)	2 (14.3)	2 (14.3)	4 (28.6)
Market challenges	4 (10)	3 (7.5)	7 (17.5)	3 (28.6)	0 (0)	3 (28.6)
Literacy	4 (22.5)	3 (7.5)	7 (17.5)	0 (0)	0 (0)	0 (0)
Bureaucratic	3 (7.5)	1 (2.5)	4 (10)	2 (14.3)	1 (7.14)	3 (28.6)
Total	28 (70)	11 (27.5)	40 (100)	9 (64.3)	5 (35.7)	14 (100)

4.3.3 Comparative Analysis of Business Impediments by Business Ownership

The research found that impediments of locally owned small-scale enterprises' growth in Lesotho are differentiated by the nature of the business. Table 4.2 shows that 25% of the business owners in Maseru town who had sole ownership of their businesses had financial challenges and 5% of the respondents who co-owned their businesses had financial challenges. This is because partners share responsibilities and decision making. Conversely, in Roma, sole-owned businesses amounted to 21.4% financial challenges while co-owned businesses had 14.3% financial challenges. In Maseru town, the sole-owned and co-owned businesses respondents with infrastructure challenges accounted for 5% also in Roma, there were no respondents who had infrastructure challenges. Additionally, sole-owned businesses had the highest percentages of the impediments that affect the growth and sustainability of businesses in both study areas.

Table 4.2: Cross tabulation between impediments and business ownership

Impediments	Maseru town Business ownership			Roma Business ownership		
	Co-owned	Sole-owned	Total	Co-owned	Sole-owned	Total
Financial challenges	2 (5)	10 (25)	13 (30)	2 (14.3)	3 (21.4)	5(35.7)
Infrastructure	2 (5)	2 (5)	4 (10)	0 (0)	0 (0)	0 (0)
Market challenges	2 (5)	9 (22.5)	12 (27.5)	1 (7.1)	2 (14.3)	4 (28.6)
Literacy	1 (2.5)	2 (5)	3 (7.5)	1 (7.1)	3 (21.4)	4 (28.6)
Bureaucratic	2 (5)	8 (20)	10 (25)	0 (0)	2 (14.3)	2 (14.3)
Total	9 (22.5)	31 (77.5)	40(100)	4 (28.6)	10 (71.4)	14 (100)

4.3.4 Comparative Analysis of Business Impediments by Educational Level

Table 4.3 shows that in Maseru town, business owners only with primary education and vocational education had the highest percentage of financial challenges which is 12.5%. However, those with university education had no financial challenges. In Roma, those with secondary education and university education accounted for 14.3% financial challenges. There were also no respondents who had only primary education in Roma. Maseru town respondents show that literacy challenges were 5% on vocational education level and in other educational levels. There were no respondents who had literacy challenges. Also, in Roma, there were no respondents who had literacy challenges. Additional, in Maseru town those with vocational and primary education levels show the highest percentages of impediments that affect the growth and sustainability of businesses while in Roma, respondents with university and secondary education levels had the same percentage of impediments.

Table 4.3: Cross Tabulation between Impediments and Educational Level

Impediments	Maseru town Business Educational level					Roma Business Educational level		
	Primary	Secondary	University	Vocational	Total	Secondary	University	Total
Financial challenges	5(12.5)	3(7.5)	0(0)	5(12.5)	13(32.5)	2(14.3)	2(14.3)	4(28.6)
Infrastructure	1(2.5)	2(5)	3(7.5)	3(7.5)	9(27.5)	1(7.1)	3(21.4)	4(28.6)
Market Challenges	3(7.5)	3(7.5)	2(5)	2(5)	10(40)	3(21.4)	1(7.1)	4(28.6)
Literacy	0(0)	0(0)	0(0)	2(5)	2(5)	0(0)	0(0)	0(0)
Bureaucratic	1(2.5)	2(5)	3(7.55)	2(5)	6(15)	1(7.1)	1(7.1)	2(14.2)
Total	10(25)	10(25)	8(20)	14(35)	40(100)	7(50)	7(50)	14(100)

4.3.5 Comparative Analysis of Business Impediments by Years of Business Operation Duration

The research found that impediments of locally owned small-scale enterprises growth in Lesotho is compared and differentiated by longevity (years) to which a business operated. Table 4.4 illustrates that in Maseru town, duration of 1 to 5 years in business had the highest percentage with business owners in financial challenges, which is 17.5%, it is followed by 7.5%, which is the total of business owners who had been operational for 5 years and above. For those who had been operating for less than a year, there were no reported cases of financial challenges. In Roma, an operational duration of less than a year and 1 to 5 years could be attributed to 14.3% while for those had been operating for 5 years and above, there were no financial challenges. In Maseru town, those with 1 to 5 years operating their businesses amounted to 2.5% of literacy challenges while in Roma, there were no reported literacy challenges. Additional, the data shows that the 1 to 5 years operating duration had the most business impediments compared to other time periods are both study where for Maseru town is 52.5% and in Roma, it is 50%.

Table 4.4 Cross Tabulation between Impediments and Years of Business Duration

Maseru town	Years of business duration			Total	Roma	Years of business duration		
	Less than a year	1 to 5 years	5 and above			Less than a year	1 to 5 years	5 and above
Financial challenges	0(0)	7(17.5)	3(7.5)	10(25)	2(14.3)	2(14.3)	0(0)	4(28.6)
Infrastructure	0(0)	3(7.5)	4(10)	7(17.5)	0(0)	3(21.4)	1(7.1)	4(28.6)
Market challenges	1(2.5)	7(17.5)	6(15)	14(35)	1(7.1)	1(7.1)	2(14.3)	4(28.6)
Literacy	0(0)	2(5)	3(7.5)	5(12.5)	0(0)	0(0)	0(0)	0(0)
Bureaucratic	0(0)	2(5)	1(2.5)	4(10)	0(0)	1(7.1)	1(7.1)	2(14.3)
Total	1(2.5)	21(52.5)	17(42.5)	40(100)	3(21.4)	7(50)	4(28.6)	14(100)

4.4 Coping Strategies of Locally Owned Small-scale Enterprises to Realize Growth

4.4.1 Financial Coping Strategies

Financial coping strategies are actions or techniques that individuals or businesses can use to deal with financial challenges and effectively manage their finances. These strategies can help individuals and businesses to achieve financial stability and prepare them for unexpected expenses or economic difficulties. Financial coping techniques include, for instance, creating a budget, building an emergency fund, paying off debt and diversifying income streams. Figure 15 indicates that the most important strategies for Maseru town business owners are financial coping methods, which accounts for 45%. The percentage for achieving growth is likely to get credit (loans). Getting loans can help small businesses to frequently get the funds to grow, expand their operations, buy new machinery and hire more staff.

Furthermore, for the respondents creating a budget or reducing expenses, which is another important coping strategy in Maseru town, amounts for 32.5%. Making wise financial decisions and avoiding overspending can be facilitated by having a clear understanding of income and expenses. Moreover, Figure 16 shows that in Roma, for small businesses to grow, the most important strategies, which were found to be getting loans, attribute to 42.86%. Small businesses benefit from local government programs that provide funding and support for small businesses and this helps the businesses to increase their visibility and expand their customer base. There is no difference in Roma and in Maseru town when it comes to creating a budget or reducing expenses and for financial coping strategies, they are still the same.

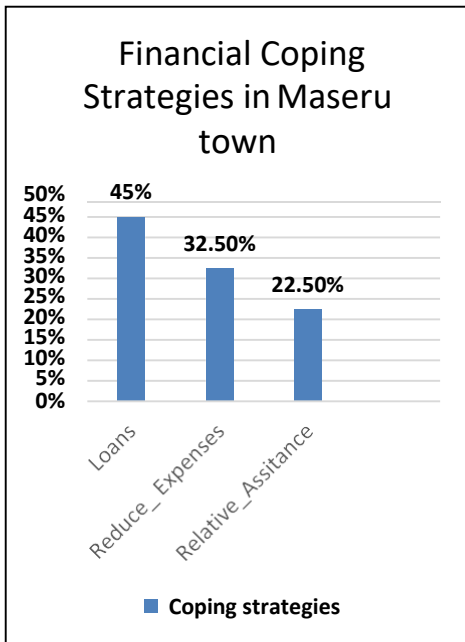


Figure 15: Financial Coping Strategies for Maseru town.

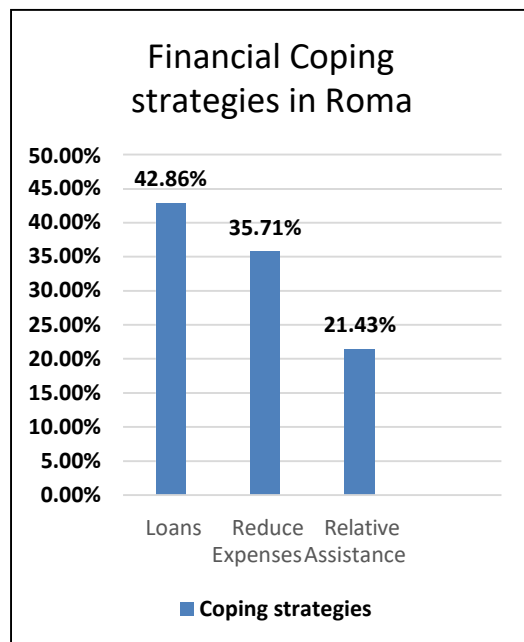


Figure 16: Financial Coping for Strategies for Roma.

4.4.2 Market-related Coping Strategies

Market-related coping strategies are tactics that businesses use to respond to market condition and they include consumer demand, competition and economic situations. These strategies can help businesses to adapt to changing market conditions and maintain their competitive position. The examples of market-related coping strategies include adjusting prices or product offerings, advertising and implementing marketing strategies. Figure 17 below shows that the most important market related coping strategy for Maseru town with a total of 65% is advertising. In Maseru town, small businesses can use a variety of advertising channels to reach new customers and increase their brand awareness. These channels include social media, email marketing and paid advertising.

Additionally, being mobile is another important market related coping strategy for Maseru town business owners and it is a total of 18%. Being mobile allows businesses to be flexible and adapt to changing market conditions and mobile businesses can also save money on overhead costs such as rent, utilities and insurance. Business owners securing loans amount to 17% and it is another important market related coping strategy which involves providing small businesses with access to capital, which can be used to invest in new equipment and hire new employees.

On the contrary, Figure 18 illustrates that in Roma, the most important market related coping strategy is relative assistance, which is suggested by 78.57% of the respondents. Local knowledge relatives and acquaintances in local area can provide valuable insights about the local market, including consumer preferences, competition and trends. Again, small businesses can leverage their networks to access new markets and customers from friends, family and acquaintances for referrals and recommendations. In addition, being mobile accounted for 21.40% of the participants and is one of important market strategies in Maseru. It is said that mobile increases business' visibility where one could park in busy places and sell, go to events and festivals and sell there and use social media to advertise their position because being mobile improves a businesses' visibility.

Additional, in Maseru town, market related coping strategies are completely different from those established in Roma. This study found that a market-related strategy is borne by business owners staying informed about industry trends, competitors and changing market conditions such as advertising and respondents prefer to advertise. Conducting market research can help small businesses anticipate challenges and identify new opportunities for growth.

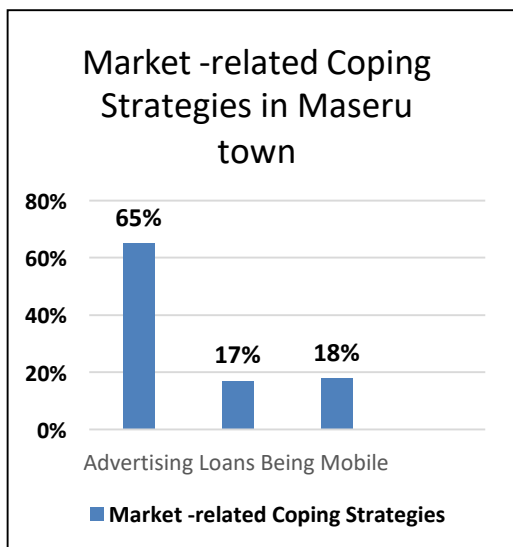


Figure 17: Market-related Coping Strategies in Maseru town

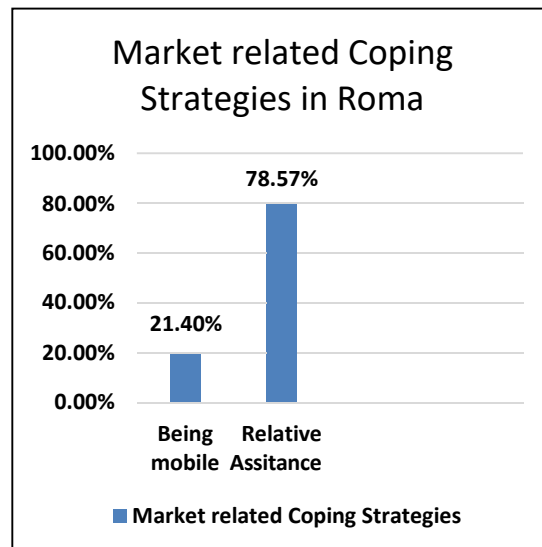


Figure 18: Market-related Coping Strategies in Roma

4.4.3 Production and Sale Coping Strategies

Production and sales coping strategies are methods used by business owners to optimize productivity and profitability in their production and sales processes. Businesses can use these strategies to stay competitive and adjust to changes in the market. Some examples of production and sales coping strategies include implementing lean manufacturing techniques to reduce waste and improve efficiency, advertising and sourcing loans. In this study, Figure 19 shows that the most important production and sales coping strategies for Roma business owners is securing loans, which account to 72% of the respondents. Loans provide small businesses with access to additional capital, which can be used to invest in new equipment, hire new employees and improve operational efficiency. After securing loans, small businesses can focus on improving their operational efficiency by reducing waste, increasing productivity and advertising. In addition, those who advocate for advertising are a total of 28% because it is another important production and sales coping strategy in Roma. Small businesses can use a variety of advertising channels to attract new customers and increase brand awareness. These channels include social media, email marketing and paid advertising. Furthermore, Figure 20 illustrates that in Maseru town, the most important production and sales coping strategy is advertising and it is a total of 65%. Likewise, loans are another important strategy in Maseru town and this is supported by the 30% of the respondents who suggested it. A business being mobile amounts to 5% and is an important production and sales coping strategy in Maseru town. It is said that visibility is increased when a business is mobile by acts such as parking in busy spots and conducting a business, going to events and festival for business purposes and using social media to advertise products and services since mobile businesses improve visibility. The Maseru town production and sale coping strategy are completely the same with those gathered from Roma.

The respondents argued that spreading out products or services across different markets can help reduce the risk of their products not being sold. Production and sale strategies are key drivers of businesses as diversification can provide small-scale businesses with multiple sources of revenue hence making them less vulnerable to market fluctuations. The production and sales strategies are illustrated in Figure 19 and Figure 20 where advertising is a major obstacle to small-scale business entrepreneurs. Basotho do not have business educational backgrounds and advertising is a major concern to them. Facilitating market linkages and networking

opportunities through advertising for locally owned enterprises can help them access larger markets and distribution channels. Building partnerships with established businesses, cooperatives, and export promotion agencies can open up new opportunities for business growth. The United Nations (2005) reports that the businesses suffering the most from new market conditions are generally those that do not advertise. Alternatively, mobile networking is an important aspect of business growth. However, some respondents argued that not having good business connections has brought more problems to their businesses.

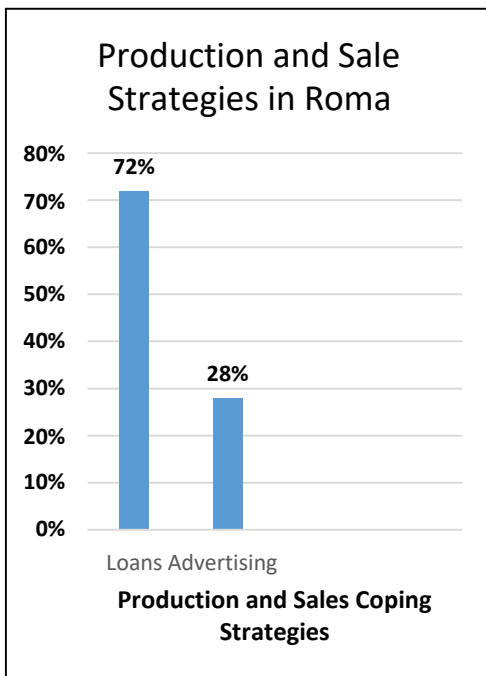


Figure 19: Production and Sale Strategies for Roma

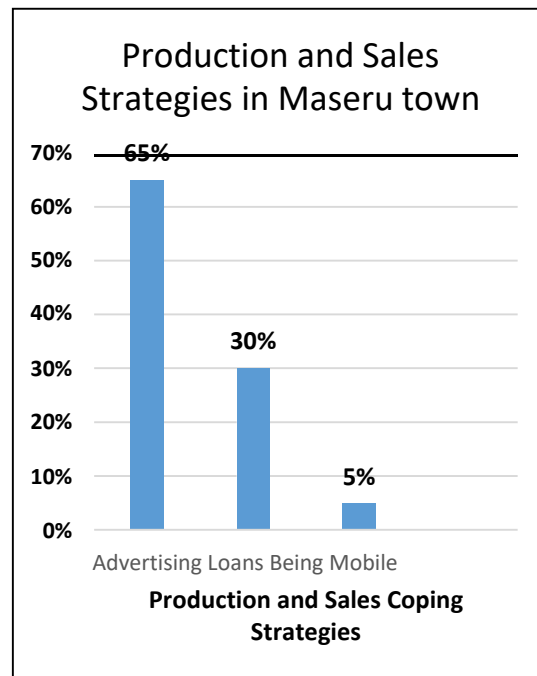


Figure 20: Production and Sale Strategies for Maseru town

4.4.4 Collaboration and Bulk-buying Strategies

Collaborations and bulk-buying strategies is defined as where small businesses can lower their expenses and increase their purchasing power. Collaborations can involve small businesses working together to negotiate better prices and terms from suppliers.

Interviewee 1 articulated that for business to growth, working together as business owners will drive businesses to higher levels and interviewee 3 emphasized that Chinese owned businesses are flourishing because they collaboratively buy stock in

bulk and beat the cost-buying prices. Lastly, interviewee 9 pointed to the fact that for Basotho, business is viewed as competition where there is no room for collaboration hence their businesses are not growing to their desired levels of large-scale businesses and building strong relationships with existing customers can help maintain a steady revenue-stream.

4.4.5 Government Strategies Supporting Locally Owned Small-scale Enterprises

Government strategies refer to the plans, policies and actions that governments take to achieve their objectives. The following are some government initiatives that assist locally owned small businesses. The initiatives include small businesses Being administered loans in order to assist small firms in launching, developing or expanding their operations by the Small Business Administration tax incentives where governments may offer tax incentives to small businesses such as tax credits or deductions.

Figure 21 shows that in terms of Roma business owners, the most favored government strategy for supporting locally owned small-scale enterprises is financial support which is a total of 52.5%. Government can provide loans to small businesses to help them access additional capital. Besides that, infrastructure development is suggested by 30% of entrepreneurs and is another important strategy government could use supporting the growth of local, small-scale enterprises through building and maintaining roads. This can help small businesses to transport their products and services to customers more easily and efficiently.

Lastly, workshops were nominated by 17.5% of the participants and it is believed that they can cover a wide range of business aspects, including business planning. Workshops can help small businesses to develop business plans and set achievable goals. Financial management workshops can help small business to manage their businesses including ways of budgeting. Additionally, Figure 22 shows that in Maseru, the most important government strategy to support locally owned small-scale businesses is still financial support, which is supported by a total of 60% participants. Government supporting strategies are nominated with the same percentage in both Roma and Maseru town. There is no difference in Roma and Maseru town because the suggested government supporting strategies there are the same.

The government of Lesotho ought to promote and assist small-scale businesses. This is evident in that many respondents emphasized the need or government interventions by loosening business regulatory laws. Some of the small-scale business owners sought external financing from the government of Lesotho through Ministry of Trade, Industry and Small Business and Lesotho National Development Corporations (LNDC).

Figure 21 and Figure 22 illustrate the role of government strategies in supporting the locally small-scale enterprises. Minimal inclusion of financial support (loans) to small-scale businesses is perceived as a setback since about 60% of the respondents in Maseru town and 52% of the respondents in Roma posit that loans are crucial in boosting their businesses but the regulatory laws and processes are a major hindrance to achieving their businesses' growth through loans.

The financial support is provided by the government of Lesotho through various stakeholders such as the LNDC, BEDCO and Ministry of Trade, Industry and Small Business and micro loans among others. However, such financial support is said to no longer exist because laws form a restrictive measure on them.

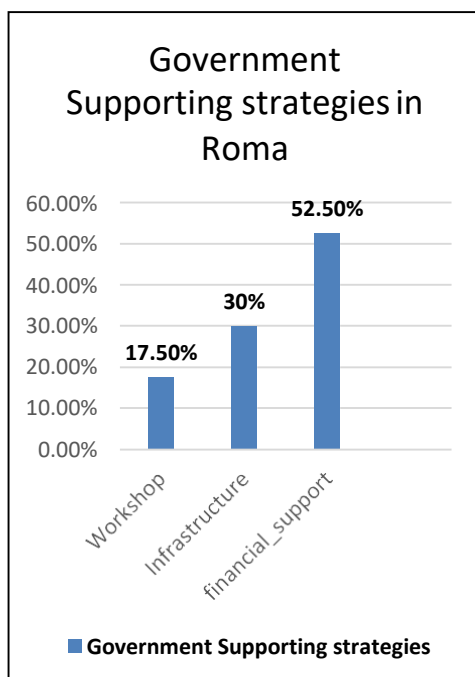


Figure 21: Government supporting Strategies to small-scale enterprise. in Roma

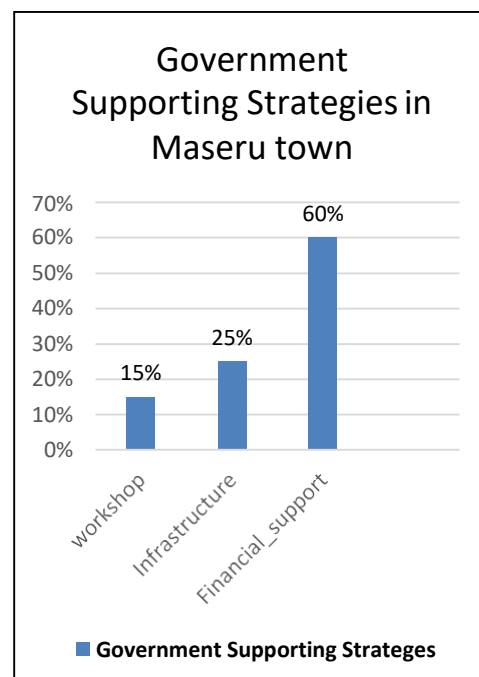


Figure 22: Government Supporting Strategies to Small-scale enterprise in Maseru town

4.5 Effectiveness of Coping Strategies of Local Owned Small-Scale Enterprises in Mitigating the Growth Impediments in Lesotho

The effectiveness of coping strategies of locally owned small-scale enterprises in mitigating the growth impediments in Lesotho refer to strategies which can overcome the factors that hinder the growth and development of small-scale businesses. These include limited access to resources, intense competition and changing market conditions. In this study, effectiveness of coping strategies is based on financial, market, collaborations and bulk buying.

Interviewee 7 of the Maseru town respondents stated that financial coping strategies are less effective in mitigating the growth impediments for small-scale enterprises due limited government support. The interviewee stated that the Lesotho government has limited resources to provide loans, which can impede on their businesses' growth. Similarly, interviewee 10 from Roma participants stated that the regulatory environment in Lesotho can be burdensome for small-scale enterprises, making it difficult for them to comply with financial regulations and to access financing.

Interviewee 10 from the Maseru town respondents illustrated that collaboration and bulk-buying as coping strategies can be ineffective due to limited cooperation from Basotho. The interviewee showed that the cooperating nature of the market and lack of trust between small-scale enterprises in Lesotho can make it difficult for them to collaborate effectively and achieve economies of scale through bulk-buying.

From the Maseru town respondents, interviewee 6 stated that market-related coping strategies are ineffective in mitigating growth impediments for small-scale enterprises due to weak brand recognition. The interviewee further stated that small business enterprises struggle to build brand recognition and differentiate themselves from others in the market, making it difficult for them to compete effectively with larger businesses. In addition, other interviewees stated that the limited purchasing power of consumers in Lesotho can make it difficult for small-scale enterprises to expand their customer base and achieve a significant market share.

However, the study established that on the effectiveness of coping strategies are not effective on both study areas of Maseru town and Roma. The coping strategies were financial assistance (loans), collaboration and bulk-buying and market related strategies. The effectiveness of these strategies has been limited by various factors, including limited resource and competition. Asiyanbi (2019) states that these findings

emphasize the need for policymakers to develop interventions that address these issues and promote the growth of small and medium-sized enterprises (SMEs) in Lesotho.

4.6 Government Intervention in Addressing the Growth Impediments Faced by Locally Owned Small-scale Enterprises

The government has various tools at its disposal to intervene when problems arise. They may use regulations, funding, creation of new government programs, taxes or tax breaks to achieve this. These and other reasons are some of the reasons why government intervention is essential for businesses. Government intervention aims to stimulate economic growth by creating a favorable environment for businesses to thrive and this contributes towards the overall economic development of a country. For business growth, many respondents stated that government intervention is very important since it involves providing support services such as accessing financing, training programs, grants and business development services that help small-scale enterprises grow and succeed.

Government may implement regulations and policies that ensure fair competition among businesses that preventing monopolies or unfair practices that could hinder the growth of smaller enterprises. In addition, these mechanisms are significant because they help create a conducive environment for small businesses to grow, compete effectively and contribute towards the overall economic prosperity of the region.

4.6.1 Evaluation of Government Interventions

Figure 23 and Figure 24 illustrate the impact of government intervention in boosting small-scale business enterprises. A total of 14.29% of the participants in Roma and 22.5% in Maseru town mentioned that government intervention is not important in the day-to-day running of their businesses. Furthermore, a total of 21.43% respondents and 45% of the respondents posit that government intervention is crucial. Lastly, 64.29% participants in Roma and 32.5% of the respondents in Maseru town admit that government intervention is very important because it boosts their business challenges in many ways. Some respondents mentioned that through government intervention, the Roads Directorate in collaboration with the Ministry of Local Government, Chieftainship, Home Affairs and Police has built stalls for small scale vendors trading in the streets in various places in Maseru town. However, the Roma street vendors mentioned that the implementation of building selling stalls for them is underway and facilitated by the government.

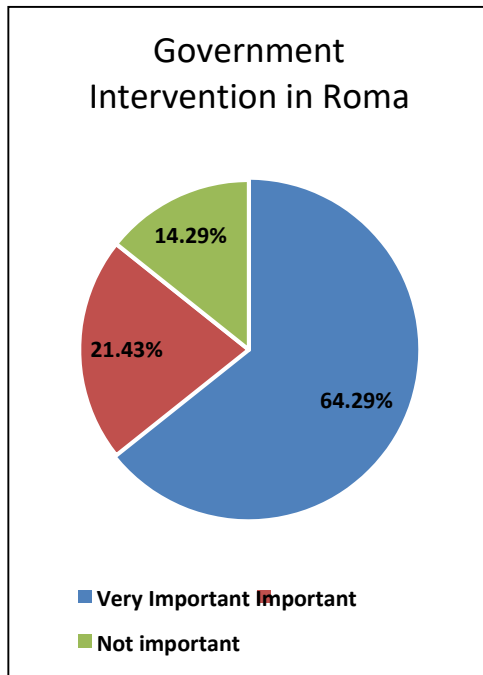


Figure 23: Impact of Government Intervention in Roma

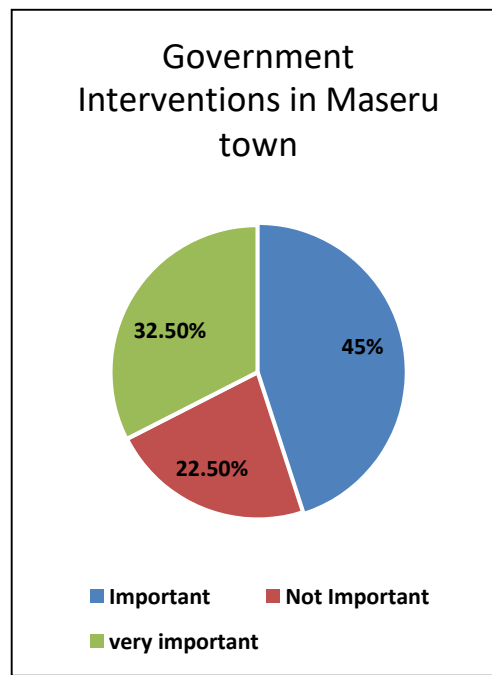


Figure 24: Impact of Government Intervention in Maseru town

4.7 Conclusion

This chapter has presented information from the field and this was done by way of presenting tables and figures as indicated and highlighted above. The chapter was divided into different sections according to the questionnaires posted to respondents. The sections include demographic data impediments affecting growth and sustainability and coping strategies of locally owned small-scale enterprises. Other sections include; effectiveness of locally owned small-scale enterprises, government strategies supporting locally owned small enterprises growth and evaluation of government intervention.

This research has examined the impediments to the growth of locally-owned small-scale enterprises in Lesotho. The study identified several key impediments, including financial challenges (as well as limited access to capital), market challenges, poor infrastructure, bureaucratic and literacy (limited education and skills). The Findings revealed that in Maseru town, financial challenges were more prevalent than in Roma because the Maseru town has high business rent and utilities and high taxes which in turn reduce their profitability. The findings of the study further indicate that small scale enterprises do not have adequate funding and they can neither sufficiently start up

the businesses nor increase their capital in order to reinvest into the corporate operations of their business entities. This observation is similar to Kanono's (2000) assertion that in many instances, an entrepreneur may want to produce large quantity of products but may be hindered by lack of funds.

Additionally, market challenges in the study showed that there is stiff competition among the entrepreneurs in the Maseru town and this is worsened by the authorities who do not control such competition. As the participants indicated, many people sell the same products in the same location and foreigners are allowed to engage as general dealers although by law, these businesses are reserved for the Lesotho citizens. These expatriates trade without any knowledge of the rules and regulations to be observed and the standards of the hygiene, good quality of the products and the satisfaction of the consumers. The study also found that the penetration of the foreigners into the market is very easy since they have a high purchasing power and they exploit the market. The research findings established that market challenges were worse in Maseru because competition is high and this makes it difficult for small businesses to establish themselves and grow exponentially.

The findings further revealed that poor infrastructure was a hindrance in Roma than the Maseru town due to limited or poor transportation. Many businesses do not get adequate and desired goods and services due to their remote locations. Moreover, it was found that many entrepreneurs are mostly educated and crowded in Roma than in the Maseru town. The central notion behind that was that many businesses are owned by those with higher education in Roma and Maseru town is populated with different calibers and people who are from different backgrounds.

However, the study also revealed that some small scale enterprises have developed coping strategies to overcome these challenge. These coping strategies include forming partnerships with other businesses and accessing government support. Moreover, the study found out that these businesses have developed a range of coping strategies, including the use of financial support (workshops), collaborations and bulk-buying and participation in government programs. Furthermore, the government can collaborate with private sector partners to provide training programs and capacity-building initiatives to equip small-scale enterprises with the necessary skills and knowledge to operate and grow their businesses successfully, (Khoase, 2015).

Moreover, the study found that on comparative analysis of business impediments between genders, female business owners in the Maseru town had the most prevalent financial challenges than male owned businesses because females often have difficulty accessing credit and financing compared to men. However, regarding financial challenges in Roma, females and males have equal level of constraints because most businesses are owned by students so they earn equally same money. In addition to the impediments and business ownership, in Maseru town, sole-owned businesses had the most prevalent financial challenges and other challenges than co-owned businesses.

On government intervention, however, the findings revealed that lack of government support through the national policies and strategies is one of the barriers that contribute significantly towards the lack of financial assistance for the small-scale enterprises. Another problem related to lack of government support is lack of access to information. The study shows that there are no standing programmers or special platforms for the government to communicate directly with small-scale enterprise owners. The possibility is that the entrepreneurs do not get information to act or release the business opportunities timeously. This is unlike when there is a well- coordinated industrial bulletin which every individual can visits so as to check available opportunities. Obokoh (2008) posits that there is a dearth of understanding and awareness among small-scale enterprise owners regarding the programs geared towards reducing administrative and production costs in the early phases of business operations.

The study showed that market regulation is minimal because the government imposes regulations to ensure that there is fair competition, preventing monopolies, protecting consumers and promoting public safety. This is highlighted by Eltahir (2018) who states that market regulations are more effective for larger businesses than for small-scale enterprises and most recent business sectors. This means that small-scale businesses do not have adequate market regulations.

Moreover, market regulations by government intervention promote public safety and consumer protection. This study observed that small-scale enterprises can enhance business development through the reduction of crime and protection of consumers. Most business owners in Roma and the Maseru town are young and highly active people who might have been unemployed and could have possibly fallen into crime if

they had not started the businesses.

Government intervention through the distribution of income can also enhance small scale enterprises' growth. Through taxes and social programs, the government of Lesotho can redistribute income generated from the wealthy to the poor in order to reduce inequality. Ramonyatsi (2020) asserts that a small businesses' ability to obtain financing is essential to its expansion. The study discovered that the growth and number of small-scale enterprises have a direct influence on a household's net income wherein the purchasing power of the said household increases. This is in accordance with Kanono (2000), who states that as households' income rises, thus increasing the purchasing power of the economic agents.

The determination of market prices through government interaction in supply and demand is the basis of economies. Therefore, the Lesotho government intervention can have a direct effect on price control of small-scale enterprises. The government may set price maximums to prevent prices from rising too high or price too low to ensure that producers receive a minimum price for their goods. The respondents claimed that the governments of Lesotho through the Ministry of Trade, Industry and Small Businesses in collaboration with the Maseru City Council play a pivotal role in price controls. Consumer preferences for a product determine how much of it they will buy at any given price. Consumers will purchase more of a product as its price declines. Alternatively, firms decide how much they are willing to supply at different prices. This has often leads to disruptions in the market, losses for producers and a noticeable change in quality hence government intervention is necessary.

The findings of this research highlight the importance of supporting the development of locally owned small-scale enterprises in Lesotho. In order to do so, it is essential to provide these businesses with the resources and support they need to overcome the challenges they may face. In addition, this research also examined the effect of government intervention on mitigating the growth impediments faced by locally owned small-scale enterprises in Lesotho. The findings illustrate that government programs and initiatives can provide some support to small-scale enterprises but the overall impact is limited. This suggests that while government intervention can be beneficial and that it is sufficient to fully address the challenges faced by small-scale enterprises. This research also highlights the importance of the multi-faceted approach to supporting the growth and development of small-scale enterprises in Lesotho.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION AND IMPLICATIONS OF THE STUDY

5.1 Introduction

Small scale businesses are acknowledged globally as socio-economic drivers for development. They contribute significantly in job creation, income generation, poverty alleviation, innovative capacity and the provision of affordable goods and services to the local market. Lesotho's locally owned small-scale enterprises are therefore, no exception to such. Though undoubtedly hailed for their importance in the economy, the small scale enterprises sector is clouded with several constraints which shadow their potential. These include financial, market, bureaucratic, literacy and infrastructure.

This chapter presents the discussion of the findings based on the findings presented in Chapter Four. The findings are further discussed in relation to the objectives of the study and literature review as it is presented in Chapter Two. Secondly, for both Roma and Maseru town, the challenges (impediments) are identified and mitigating mechanisms in a form of coping strategies are tabled for the survival of the small scale enterprises' growth. Lastly, the findings are also discussed based on government intervention in helping small scale enterprises to grow and its failures.

5.2 Discussion of Findings

This study aimed to determine mechanisms of mitigating impediments to locally owned small-scale enterprises' growth in Lesotho. To achieve the main objectives, the following research questions were articulated and addressed:

5.2.1 What are the Impediments of Locally-owned Small-scale Enterprises' Growth in Lesotho?

Based on the findings of the study, the following impediments were identified: financial challenges, market challenges, infrastructure, bureaucratic and education (literacy). From the research findings general impediments of locally owned small-scale enterprises that showed to be most prevalent were financial challenges, followed by bureaucratic, market challenges, education (literacy) and the least prevalent is infrastructure. Financial challenges were the most prevalent impediments for small scale enterprises due to limited access to capital, high interest rates and limited financial education.

Bureaucratic was also prevalent because of the time consuming process it takes to acquire license permits and tax clearance.

Focusing on Maseru town and Roma, financial challenges were discovered as the most prevalent impediments. The respondents claimed that they do not have enough funds to expand their businesses. Khoase (2011) approves that one of the biggest problems facing Lesotho's small business owners is lack of access to financing. Moreover, the findings revealed that in the Maseru town, market challenges were more dominant because there is high market competition there. Respondents stated that there is price pressure in the town and they may be pressured to lower their prices in order to compete which reduces their profit and hinders their growth. Conversely, in Roma, literacy levels were higher for the business owners because respondents stated that it is a challenge for their businesses to grow well because they need to balance their school work their business, so they focused more on school related activities than on their businesses.

Moreover, on the comparative analysis of business impediments between genders, the study found that in Maseru town, female entrepreneurs had the most prevalence with (25%) of financial challenges than their male counterparts (with 7.5%). This is because female business owners face discrimination in accessing credit and financing. Marten et al. (2019) confirm that women face significant barriers to accessing financing, which further hinders their ability to start or grow their businesses. In Roma, however, female and male respondents had equal financial challenges. Students' respondents typically had limited financial resources and are often dependent on financial aid and scholarships to asylum their business expenses. Additionally, in Maseru town females (with 17.5%) were affected more when it comes to infrastructure than their male colleagues with (5%). Guler et al.'s (2018) confirm that women entrepreneurs face significant infrastructure challenges, particularly in terms of accessing technology and infrastructure development. In Roma, 14.3% of female and male respondents saw infrastructural challenges as obstacles to their businesses' growth.

Additionally, on a comparative analysis of business impediments by business ownership, in the Maseru town, sole proprietor businesses had the most prevalence with (255) of financial challenges than co-owned enterprises with relatively (5%). Loane (2001) states that sole trader small businesses experience higher rates of cash flow problems and difficulties in accessing credit compared to co-owned businesses. On a comparative analysis of business impediments by duration of business operation, the study found that in the Maseru town, businesses with operational duties of 1 to 5 years had the most prevalence (with 15%) of financial challenges, followed by ones which had been trading 5 years and above (7.5%). Lastly, for those which had traded for less than a month, no financial challenges were reported. Berger and Udell (2006) note that the longer-established businesses may struggle to obtain formal financing, which can limit their growth and expansion.

5.2.2 What are the Coping Strategies to Enterprises' Growth Impediments?

Based on the study, the research found that business owners had established various coping strategies such as financial coping strategies which included creating budget, building emergency fund and paying off debt. However, in the Maseru town, the discovered financial coping strategies were the same in Roma and they include loans, reducing expenses and relative assistance. For both areas, loans had the highest suggestions from respondents where they were preferred in the Maseru town by 45% of the respondents while in Roma had 42.86% of them. Basu and Ariu (2005) state that small firms that rely on loans as a financial coping strategy are more likely to experience growth, suggesting that access to credit can be an important factor in a business' success.

Market related coping strategies include adjusting prices, advertising and implementing marketing strategies. In this study, the respondents in the Maseru town postulated that the best strategy is advertising with 65%, being mobile with 18% and securing loans 17%. Ahluwalia and Peters (2012) confirm that advertising is one of the most effective ways for small firms to attract new customers and build brand awareness. In Roma, market related coping strategies with relative assistance was advocated by 78.57% of the respondents and being mobile was encouraged by 21.4% of them. Asare and Hanson (2008), indicate that small-scale enterprises that leverage relative assistance such as networking with other businesses and sharing

marketing strategies are more likely to be innovative in their marketing approaches. Collaboration and bulk buying strategies were other coping strategies used in locally owned small-scale enterprises to realize their growth. This can be observed where small business owners can lower business expenses and increase their purchasing power and the respondents stated that collaboration can involve small businesses working together to negotiate better prices and terms from suppliers.

5.2.3 What are the Effectiveness Coping Strategies of Locally-owned Small- scale Enterprises in Mitigating the Growth-impediments in Lesotho?

The findings of this study indicate that locally owned small-scale enterprises in Lesotho face various growth impediments for both Roma and the Maseru town. This includes limited access to financial resources, competition and no collaboration. Despite these challenges, locally owned small-scale enterprises adopt various coping strategies including financial assistance, collaboration and market-related strategies to these growth impediments. However, the effectiveness of these coping strategies was found to be limited due to factors such as limited financial resources, intense competition and market constraints. Mpharane's (2018) study identifies several factors that influence the performance and the growth potential of small enterprises in Lesotho. These include the quality of infrastructure, access to financing and human capital. Despite the use of coping strategies by small enterprise, these factors continue to impede their growth and competitiveness.

5.2.4 What is the Effect of the Government Intervention in Mitigating Locally-owned Small-scale Enterprises' Growth Impediments in Lesotho?

For this study, government intervention is taken to mean when the government gets involved in the marketplace for the purpose of impacting the economy. It is the responsibility of the government of Lesotho to ensure the best interest of the people and to do what is necessary to reduce or eliminate poverty and hardships. Based on the study, the finding revealed by the study that evaluation of government intervention is very important for Roma respondents with 64.5%, was considered important by 21% of the respondents and was deemed not important by 14.29% of them. In Maseru town, 32.5% of respondents considered government intervention as very important, 45% of them perceived as important while 22.5% of them thought of it as not important.

5.3 Conclusion

The study was about mechanisms mitigating impediments to locally owned small-scale enterprises' growth in Lesotho. The aim of the study was to ascertain the mitigating mechanisms for resolving the impediments of locally owned small-scale enterprises in the areas of Maseru town and Roma. The study examined the impediments of locally owned small-scale enterprises' growth in Lesotho. Furthermore, the study examined the coping strategies to enterprises' growth impediments in Lesotho. Moreover, it evaluated the effect of government intervention in mitigating locally owned small-scale enterprises' growth impediments in Lesotho.

Based on the objectives of the study, it was discovered that small-scale enterprises are faced with a range of impediments that hinder their growth. These include financial, market, infrastructure, literacy and bureaucratic challenges. It was noted that in both areas Roma and Maseru town, businesses suffer due to everyday impediments but it was most prevalent in the Maseru town in terms of business impediments. In addition, it was noted that financial support, bulk-buying, collaborations and government programs play a major role in mitigating these impediments. In terms of evaluating the effectiveness of the government interventions in mitigating the growth impediments faced by locally owned small-scale enterprises in Lesotho, based on the findings of the study. However, in the Maseru town, it was noted as merely important by the respondents. The respondents argued that government intervention provides support to small businesses but they are not adequate to fully address the growth impediments faced by these businesses. From the research findings, small businesses would benefit from additional support such as increased access to finance, such as loans, improvement of infrastructure and more targeted interventions that address gender-specific barriers.

5.4 Implications of the Study

The researcher had some implications while conducting the study. These included among others, inadequate evidence regarding local research in the field of small scale enterprises and managing small-scale businesses' economic growth in the context of Lesotho. Some respondents encountered difficulty in participating in the study since they claimed that the questionnaires were too long and the researcher had to be persistent and assist the respondents who were reluctant and some could not

understand the questions well. Moreover, some respondents were too busy in their day-to-day operations of the businesses and time was not on their side especially sole-owned businesses.

5.5 Recommendations

The study's findings and analysis helped the researcher to determine the recommendations of this study. The recommendations are made to the business owners or managers of small-scale enterprises and the government of Lesotho through the Ministry of Trade, Industry and Small Business and other relevant ministries and stakeholder such as the Basotho Enterprise Development Corporation (BEDCO) and the Lesotho National Development Corporation (LNDC).

From the findings of this study, it is recommended that research should focus more on impediments (businesses challenges) in order to improve the effectiveness of entrepreneurship by understanding the factors that affect the success and survival of the businesses in a well-organized distribution of state funds and grants. Small-scale entrepreneurs should also collaborate as niche groups for marketing their businesses. Business collaborations can also reduce business challenges. Business collaborations further help business owners to growth their businesses and in finding new business partners and customers. This can help them with business ownership by forming a fruitful business network thus new ideas can be shared among small businesses owners. Likewise, providing business opportunities would enhance business connections and it will help businesses better their profiles.

The lack of access to finance is one of the common obstacles in economies. Small scale businesses are not able to acquire funds securing loans and overdraft facilities for start-up businesses or their expansion. However, the government of Lesotho has established a number of programs such as Rural Finance Intermediation Programs to mitigate these challenges. Small scale enterprises owners, however, have limited knowledge about these government initiatives. Hence, it is recommended that the government of Lesotho should raise more awareness on these programs through advertising on local radios and social media.

The government could further intervene through seminars sector conferences main stream communication and coaching and mentoring could also be used as platforms that are used by the government to disseminate information to the entrepreneurs. Training sessions are also needed to capacitate and equip the small scale entrepreneurs to run and manage the planning and control of their businesses. According to the findings, government plays a minimal position in identifying, developing and ensuring the success of small scale enterprises. The government should provide training programs such are incubation programs to target businesses established by the youth and prepare them to start their own businesses. Moreover, the youth should be encouraged to form cooperatives and tough league programs to enhance their innovation and competition. The incubation could also link them to the markets and level the playing field for a fair competition in terms of transparent rules and procedures.

Market exposure is a very important aspect for small scale enterprises to succeed. The government can help to organize and subsidize networking, conferences and other collaboration events. This could also include trade shows where government can sponsor the platforms to attract customers and business partners. Another area that small scale enterprises tend to be excluded is in export. More governments around the world are taking steps to help their locally owned small scale enterprises to growth by entering into export markets in order to expand and diversify them, Patel and Jain (2020).

The inclusion of small scale entrepreneurs in decision-making by Lesotho government is another pillar in boosting small-scale enterprises. This could be especially when personnel such as ministers and other government delegation travel and they are invited to join them when travelling. Going abroad will assist them in order to participate in events that attract media and partnership opportunities. The other objective of government intervention is to boost businesses to move up the value chain which will create higher salaries and this will in turn lead to higher Gross Domestic Product (GDP) per capita and a higher standard of living. This is to motivate small scale entrepreneurs to learn how to create revenue and be competitive. Government intervention is also essential because it controls monopoly. Having one business can result in the over pricing of products and services because there are no competitors. However, government intervention can sometimes lead to inefficiencies, market distortion or inefficiencies, market distortion or unintended consequences if not carefully planned and implemented.

5.6 Conclusion

It is evident that Lesotho's small-scale businesses are faced with many difficulties. These challenges possess a serious threat and burden to Lesotho's economy. The study found out that financial challenges, inadequate infrastructure, an unpredictable political and economic climate, restricted access to training and education, and little market exposure are key impediments faced by small-scale enterprises. However, there are a lot of other possible approaches that can be used to deal with these problems, like government assistance, stakeholder cooperation, and the uptake of cutting-edge technologies.

In essence, it is evident that the prosperity of small businesses is essential to the general economic well-being and advancement of Lesotho, even though universally applicable answer is not available. For this reason, it is critical that all parties involved collaborate to determine and put into action efficient plans for assisting small-scale enterprises to resolve their issues. By doing this, contribution to Lesotho's economy will be more dynamic and resilient and ensuring that local SMEs continue to thrive and expand.

REFERENCES

- Adenutsi, E. D. 2023. "Entrepreneurship, Job Creation, Income Empowerment and Poverty Reduction in Low-Income Economies." *Theoretical Economics Letters*, 13(6), pp. 1579-1598.
- Alrabeei, H., and Kasi, B. R. 2014. "Barriers to Growth: Key Challenges Facing Bahraini Small and Medium Enterprises." *Arabian Journal of Business and Management Review (Oman Chapter)*, 4(3), pp. 45-62.
- Amadasum, E. O. and Mutezo, A. 2022. "Effect of Market-driven Strategies on the Competitive Growth of SMEs in Lesotho." *Journal Innovation and Entrepreneurship*. 11(21), pp. 2-17.
- Ayyagari, M., Haltiwanger, J., and Klapper, L. 2011. Entrepreneurship and Economic Growth. Working Paper No. 17164. *National Bureau of Economic Research Cambridge, MA*.
- Bear, M., Gibson, A. and Hitchins, R. 2003. "From Principles to Practice: Ten Critical Challenges for BDS Market Development." *Small Enterprise Development*, 14(4), pp. 10-23.
- Beauchamp, T.L 2019, Beneficence and nonmaleficence: Obligations not to harm in Research. with Human Participants. *The Journal of Clinical Ethics*, 30(4), 489-494.
- Birch, D. 1987. Job Creation in America: *How Our Smallest Companies Put the Most People to Work*. New York: Harper and Row.
- Bhandari, A. 2022. Triangulation as Method for Enhancing Reliability and Credibility of Research Findings,
- Charles, C. M. and Mertler, C. A. 2011. *Introduction to Educational Research*. 7th ed. Boston: Pearson.
- Deloitte, T.T. 2014. *2014 Global Survey of R&D Tax Incentives*. London: Deloitte Touché Tohmatsu Limited.
- Dlamini, M. 2020. Entrepreneurial Education and Training for Small Business in Developing countries. *Journal of Entrepreneurship and Development*, 31(4), 555-573.
- Eijrond, V., Claasseen, M., and Danielle, T. 2022. "Residents and Farmers' Perspectives On Risks and Benefits of Intensive Livestock Farming." *Impact in Agricultural*

and Life Sciences, 94(1), pp. 24-46.

- Eltahir, O. 2018. Factors Affecting the Performance and Business Success of Small and Medium Enterprises in Sudan (Case study: Omdurman). *International Journal of Small Business and Entrepreneurship Research*, 6(6), pp. 14-22.
- Evans, J. and Wolf, M. 2019. A Faustian Bargain That Undermines Research Participants' Privacy Rights and Return Results. *Florida Law Review* 71 (5),1281.
- Gamage, N. Kumara, Abeyrathne, S., Prasanna, RPIR and Jayasundara, P. 2019. "A Review of Global Challenges and Survival Strategies of the SMEs in the Era of Economic Globalization: Mihintale: University of Lanka.
- Ganbold, B. 2008. Improving Access to Finance for SME: *International Good Experiences and Lessons for Mongolia*. Tokyo: Japan External Trade Organization, pp 1-55.
- Garg, A. K. and Phaahla, P. N. T. 2018. "Factors Affecting the Business Performance of Small Businesses in Sekhukhune." *Journal of Economics and Behavioral Studies*, 10(4), pp. 54-67.
- Gherghina, S. C., Botezatu, A. M., and Simionescu, N. L. 2020. Small and Medium-Sized Enterprises (SMEs): *The Engine of Economic Growth through Investments and Innovation*. 12(1), pp. 347-367.
- Gkypali, G., Filiouis, A .and Tsekouras, K. 2017. "R & D Collaborations: Is Diversity Enhancing Innovation Performance?" *Technological Forecasting and Social Changes*, 118(3), pp. 143-152.
- Hallberg, K. 2001. "A Market-Oriented Strategy for Small and Medium-Scale Enterprises." Washington: The World Bank.
- Hansjorg and Zeynep, N. 2018. *The Role of Small and Medium-sized Enterprise in Development of SME's in Albania*: What can be Learned from the German Experience? *Global Labour University Working*, 7(1) pp. 1-14.
- Harvie, C. and Charoenrat, T. 2015. "SMEs and the Rise of Global Value Chains." In *Integrating SMEs into Global Value Chains: Challenges and Policy Actions in Asia*. Manila: Asian Development Bank and Asian Development Bank Institute, pp.1-46.
- Hassan, M. A. F. and Ojo, O. 2002. *Lesotho Development in a Challenging*

Environment: A Joint World Bank-African Development Bank Evaluation.
Washington: The African Development Bank.

Hefty, Y. H. 2012. "Small and Medium Enterprise in Ethiopia: *The Challenges and Prospects.*" Unpublished Master's Thesis: KDI School of Public Policy and Management.

Henrekson, M., Elert, N. and Sanders, M. 2019. "The Entrepreneurial Society: Taxation and Entrepreneurship." *International Studies in Entrepreneurship*,43(1) pp. 33-51.

Hoft, H. 2021. Anonymity and Confidentiality in Qualitative Research: A Systematic Review of Definitions, Challenges, and Solutions. *International Journal of Qualitative Methods*, 20 (1), 8- 35.

Holland, J. D., and Linvill, S. R. 2019. Maintaining Confidentiality in Qualitative research: Guidelines for Human Subjects Researchers. *Qualitative Research*, 23(2), 295-309.

Hosono, A. 2022. *SDGs, Transformation and Quality Growth: Industrial Development and Transformation: Insights from Outstanding Cases.* Tokyo: Springer Singapore.

<https://www.thereporter.co.ls/2023/12/14/bad-financial-management-nearly-sank-enrich/?ampzdc>.

Hun, J. P. 2014. Entrepreneurship of SMEs in South Korea: *Handbook of East Asian Entrepreneurship.* United Kingdom: Routledge.

Jack, W. and Suri, T. 2014. "Risk Sharing and Transactions Costs: Evidence from Kenya's Mobile Money Revolution." *American Economic Review*, 104(1), pp. 188-223.

Jaramillo, A. J., Sossa, Z. W. J. and Mendoza, O. G. 2019. Barriers to Sustainability for Small and Medium Enterprises in the Framework of Sustainable Development: Business Strategy and the Environment. *Wiley Blackwell*, 28(4), pp. 512-524.

Jim, T. 1999. "Business Development Services: How Sustainable can they really be?" Proceedings of a Workshop on BDS. Committee of Donor Agencies for Small Enterprise Development. Harare, Zimbabwe.

- Jo, O. and Wynn, P. 2007. Determinants of Small Business Growth Constraints in a Sub-Saharan African Economy. *Advanced Management Journal*, 72(1), pp. 24-35.
- Jones, M. J. 2021. *Strategies to Overcome Constraints for Small Business Sustainability*. Unpublished Doctoral Thesis: Walden University.
- Kuratko, D. F., and Hodgett, R. E. (2007). *Entrepreneurship: Theory, Process and Practice*. Upper Saddle River, NJ: Prentice Hall.
- Khan, M. T. 2014. "The Concept of Marketing Mix and its Elements: A Conceptual Review Paper." *International Journal of Information, Business and Management*, 6(2), pp. 108-122.
- Khoase, R. G. 2015. *The Influence of Public and Private Supporting Institutions on Small, Medium and Micro Enterprise Development: A Comparative Study between Lesotho and South Africa*. Unpublished Doctoral Dissertation: University of KwaZulu-Natal.
- King, J. S. 2018. *Marketing Strategies for Small Business Sustainability*. Walden: Walden University.
- Kusimba, S. 2005. "What is a Hunter Gather? Variation in the Archaeological Record of Eastern and Southern Africa." *Journal of Archaeological Research*, 13(4), pp. 337-366.
- Makhakhe, T. 2017. "Regulatory Challenges Facing Small Businesses in Lesotho." *Journal of Small Business and Enterprise Development*, 24(2), pp. 368-382.
- Makoala, T. and Smit, E. 2018. "Financial Challenges Facing Small and Medium Enterprises in Lesotho." *African Journal of Economic and Management Studies*, 9(4), pp. 482-495
- Maliehe, S. 2017. "The Rise and fall of African Indigenous Entrepreneurs' Economic Solidarity in Lesotho, 1966–1975." *African Economic History*, 45(1), pp. 369-388.
- Mphaka, B and Mosala, K. 2017. The role of Government, Private Sector, and development partners in Promoting Small Business Development in Sub-Saharan Africa. *Journal of African Development*, 16(2), 123-140.
- Mason, C. and Brown, R. 2014. *Entrepreneurial Ecosystems and Growth Oriented Entrepreneurship*. The Hague: *Centre for Responsible Banking and Finance*.
- Mukherjee, S. 2018. "Challenges to Indian Micro Small Scale and Medium Enterprises in the Era of Globalization." *Journal of Global Entrepreneurship*

Research, 8(1), pp. 1-19.

- National Institute for Entrepreneurship and Small Business Development. 2022. *Trainers' Training Programme on Employability, Entrepreneurship and Life Skills for PMKVY Trainers*. India.
- Neumark, D. 2011. Small Business, Entrepreneurship and Job Creation. *National Bureau of Economic Research*, Cambridge, MA.
- Ndungu, D. N. 2017. "Factors Affecting the Successful Growth and Survival of Small and Micro Enterprises (SMEs) in Zimmerman Ward, Nairobi County Kenya." *Global Journal of Management and Business Research*, 17(1), pp. 1-10.
- Nichter, S. 2004. "Enhancing Productive Opportunities in Rural Pernambuco: Community Driven Development in Brazil." Massachusetts: Harvard Kennedy School of Government.
- Nkuebe, M. 2019. "Enhancing the Competitiveness of Small Businesses in Lesotho through skills Development." *International Journal of Entrepreneurship*, 23(3), pp. 215-230.
- Obokoh, L. O. 2008. "Small and Medium Sized Enterprises Development under trade Liberalization: A Survey of Nigerian Experience." *International Journal of Business and Management*, 3(12), pp. 92-101.
- Organization for Economic Co-operation and Development (OECD). 2000. Small and Medium-sized Enterprises: Local Strength, Global Reach. Policy Brief. Paris: OECD.
- Organization for Economic Co-operation and Development (OECD). 2000. Monitoring Report: The Principle of Public Administration: Bosnia and Herzegovina" Paris: OECD.
- Organization for Economic Co-operation and Development (OECD). 2016. "SME Policy Index: Western Balkans and Turkey 2016: *Assessing the Implementation of Small Business Act for Europe*." Turkey: OECD
- Organization for Economic Co-operation and Development (OECD). 2017. "Monitoring Report: *The Principle of Public Administration*." Turkey: OECD.
- Organization for Economic Co-operation and Development (OECD). 2018.: OECD Economic Survey: Turkey (Overview)." Paris: OECD.
- Organization for Economic Co-operation and Development (OECD). 2004. "Accelerating Pro-Poor Growth through Support for Private Sector Development: An Analytical Framework." OECD Development Centre Paris:

OECD.

- Phoofolo, M. 2018. "Impact of Entrepreneurial Orientation on Small, Medium Enterprises Performance in Lesotho." *Unpublished Master's Dissertation*: University of the Witwatersrand.
- Ramonyatsi, T. 2020. "Factors Affecting the Start-Up and Growth of Basotho-Owned MSMEs in Selected Districts of Lesotho." *Unpublished Master of Business Administration Dissertation*: University of Free State.
- Ramphoma, T. 2021. "The Contribution of the SMMEs to the Lesotho Public Procurement Marketing on Economic Development." *Unpublished Doctoral Dissertation*: National University of Lesotho.
- Rodrik, D. and Subramanian, A. 2002. *The Impact of Infrastructure on Small Businesses: Evidence from Developing Countries*
- Royal Government of Cambodia. 2015. "Cambodia Industrial Development Policy 2015-2025. Market Orientation and Enabling Environment for Industrial Development." Cambodia: Royal Government of Cambodia, pp. 1-36.
- Rungani, C. E. and Potgieter, M. 2018. "The Impact of Financial Support on the Success of Small, Medium and Micro enterprises in the Eastern Cape Province." *Independent Research Journal in the Management Sciences*. 18(1), pp. 1-12.
- Shah, N. 2018. *5 Common IT Infrastructure Management Issues and Solutions*. Pune: LTMindtree.
- Sisson, D. 2017. "Control Mutuality, Social Media and Organization Public Relationships: A Study of Local Animal Welfare Organizations' Donors." *Public Relationship*. 43(2), pp. 179-189.
- Stahl, G. K., and King, G. M. 2020. Transferability in Qualitative research: A Practical Primer for Evaluating Generalizability. *Qualitative Health Research*, 30(2), 269-277.
- Smallbone, D., Saridakis, G., and Abubakar, A. Y. 2022. "Internationalization as a Stimulus for SME Innovation in Developing Economies: Comparing SMEs in Factor-driven and Efficiency-driven Economics." *Journal of Business Research*, 144(2), pp.1305-1319.
- Thanh, T. V., Narjoko, D. and Oum, S. 2010. Eria Research Project Report: Integrating of Small and Medium Enterprises (SMEs) into the More Integrated

- Asia. Economic Research Institute for ASEAN and East Asia (ERIA), Jakarta.
- Turner, S. and Enders, W. 2017. "Strategies for Enhancing Small-Business Owners' Success Rate." *International Journal of Applied Management and Technology*, 16(1), pp. 179-189.
- United Nations Conference on Trade and Development. 2005. *Improving the Competitiveness of SMEs Through Enhancing Productive Capacity*. New York: United Nations Conference on Trade and Development
- United Nations Sustainable Development Goal. 2018. *Promote sustained Inclusive and Sustainable Economic Growth, Full and Employment and Decent work for all*.
- UNODC. 2012. "Corruption Prevention to Foster Small and Medium-sized Enterprise Development." *Trends in Organized Crime*.2(1), pp. 1-67.
- Varkey, V. 2021. Fidelity in Qualitative Research: The Imperative of Honoring Commitments and Relationships. *Journal of Advanced Nursing*, 77(10), 2543-2548.
- Walters, D. 2015. Understanding how the Business Makes Decisions: Corporate Strategy, Critical Success Factors and Strategy Implementation. *Retailing Management*, 11(2), pp. 55-121.
- Wilson, D. 2016. *Small Business Crisis Management Strategies: The Challenges and Prospects*. Unpublished Master thesis: KDI School of Public Policy and Management.
- Woods, D. M., Campbell, A., Willars, J., Tarrant, C., and Bates, W. D. 2021. The Role of the Informal and Formal Organization in Voice about Concerns in Healthcare: A Qualitative Interview Study. *Journal of Management in Medicine*, 280(3), pp. 43-49.
- Yang, Y., and Chiu, K. 2014. "Servitization Strategies of Manufacturing Businesses: A Case Study of Lien Cheng Saxophone Company." *International Journal of Electronic Business Management*, 12(1), pp. 26-32.
- Yoshino, N. and Hesary, T. F. 2016. *Major Challenges Facing Small and Medium-sized Enterprises in Asia and Solution for Mitigating Them*. Japan Asian Development Bank Institute. pp. 3-20.
- Yusuf, J. E. 2014. "Impact of Start-up Support through Guided Preparation." *The Journal of Entrepreneurship and Public Policy*, 3(1), pp. 72-95.
- Zabolotskaya, V. V. 2019. "Governmental Programs of Small Business Support in

the USA.” *Examination of Socio-Economic Support Programs of Small Business Entities Sain*, 63(12), pp. 15-22.

Zahra. M. and Wright, S.W. 2016. “Understanding the Social Role of Entrepreneurship.” *Journal of Management Studies*, 53(4), pp. 610-629.

Zhang, J. Z., Watson I. V. G. F., Palmatier, R. W., and Dant, R. P. 2016.

“Dynamic Relationship Marketing.” *Journal of Marketing*, 80(2), pp. 53-75.

Zhu, M. 2017. “A Study on the Factors Affecting the Financing of High-Tech SMEs.” *Asian Social Science*, 13(8) pp. 5-121.

Appendices

Research Questionnaires

SECTION A: BIOGRAPHICAL INFORMATION

Please mark the applicable block with **(X)**. Please also complete the applicable information.

1. Gender Male Female

2. Is your business solely or co-owned? YES, or NO

3. Age

- A. Under 25
- B. 25-35
- C. 36-45
- D. 46-55
- E. Over 55

.....

4. Educational level

- a) Primary
- b) Secondary school
- c) Vocational/ technical training
- d) University/ college degree
- e) Postgraduate degree.....

SECTION B

5. For how long have you been in the business industry?

.....

6. Have you faced any financial challenges that have hindered the growth of your business enterprise? If yes, please indicate.

.....
.....
.....

7. Have you encountered any challenges in accessing necessary infrastructures for your business enterprises in Roma or Maseru? If yes, please indicate

.....
.....
.....

8. Through government laws, do you have any challenges in accessing the market related products or services? If yes, please indicate

.....
.....
.....

9. In what ways have bureaucratic or regulatory impacted the growth of your enterprise?

.....
.....
.....

SECTION C

10. What strategies have you implemented to mitigate the growth impediments faced by your business?

.....
.....
.....
.....

11. What strategies do you believe could help overcome the impediment of growth faced by small-scale enterprises in Lesotho?

(a)financial.....

(b)infrastructure.....

...

c)market products.....

.....
.....
.....

12. Do you believe that the strategies to help you assist in business growth need government intervention? If yes, please indicate

.....
.....
.....
.....

SECTION D

13. How effective are the coping strategies for your business?

.....
.....
.....

14. What kind of support or resources do you think will be most beneficial for the growth of your business?

.....
.....
.....
.....
.....
.....

15. How do you assess the overall effectiveness of coping strategies in sustaining the growth of your enterprise in long term?.....

.....
.....
.....

16. What coping strategies have you employed to overcome impediments to the growth of your businesses?.....

.....
.....
.....

SECTION E

17. What role do you think the government can play in boosting your business?

.....
.....
.....

18. What role do you think the government can play in supporting the growth of small-scale enterprises in Lesotho?

.....
.....
.....

19. Do you think the government could further improve its support for small-scale enterprises in Lesotho?

.....
.....
.....
.....
.....

20. How satisfied is the overall impact of government interventions on the growth of small-scale enterprises in Lesotho?

.....
.....
.....

19. What important do you think government intervention is in addressing the growth impediments faced by locally-owned small-scale enterprises in Lesotho?

- a) Not important
- b) Important
- c) Very important

.....

Clarification regarding the use of Ethics Clearance Letter and Approval Letter

This letter serves as a testament and clarifying the reasons as to why the researcher chose not to utilize the ethics clearance letter and approval letter in this dissertation. The decision stems from a careful consideration of the project's nature, scope, methodology as well as compliance with existing ethical guidelines. This dissertation primarily focused on the mechanisms of mitigating impediments to locally-owned small-scale enterprises' growth. The study area was Maseru town and Roma in Lesotho. The researcher interviewed small-scale business owners individually in their respective business units thus no direct interaction with any organization nor company, sensitive data or any activities that may raise ethical concerns typically requiring clearance. Moreover, based on the scope of the research, the research methods employed by the researcher did not necessitate an ethics clearance letter as data was publicly identified and readily available. This justified the need not to entail any ethical risks that would warrant approval.

The researcher further proactively communicated with the participants and appropriate risk and benefit balance was taken into consideration to minimize risks. This was done to ensure that both the magnitude of occurrence and the probability of harm are fully described. The participants were told enough information to be able to adequately assess the risks and the potential benefits. The time allocation was also discussed between the researcher and the participants and arranged time convenient to the participants was deemed as of high importance. The participation in the survey was entirely voluntary and there were no known or anticipated risks to participate in this study. All the information was treated and kept in utmost confidentiality and was used only for academic purposes. The names of the participants and their respective business units did not appear in this thesis to protect them from any unanticipated harm.

It is against this background that the ethics clearance letter and approval letter were not used by the researcher throughout the research period.

The National University of Lesotho

Telephone: +266 22340601
Fax: +266 22340000
<http://www.nul.ls>



P.O. Roma 180
Lesotho
Africa

sebolelo.lesenyeho@gmail.com

mobile number: +266 63813686

Faculty of Humanities

2nd August 2024

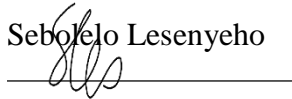
Dear Sir/Madam

Re: Certification of Language Editing

This is to certify that **Thabo Mokopanela's** MSc thesis entitled **Mechanisms of Mitigating Impediments to Locally-Owned Small-Scale Enterprises' Growth: The Case of Maseru and Roma in Lesotho** has been language edited by Sebolelo Lesenyeho, a professional editor in the Communication and Study Skills Unit, Faculty of Humanities, at the National University of Lesotho.

Thank you.

Sebolelo Lesenyeho



(A facilitator of Communication and Study Skills)