

Access to finance and SMEs performance in deprived areas: Evidences from Rwanda

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I Background and problem statement

Despite that the study by Sitharam and Hoque (2016), point out factors affecting the performance of small and medium enterprises in Kwazulu-Natal, South Africa that include internal environment factors, managerial competency and skills, access to finance, technological factors..etc. Further, this study was done in South Africa which is not Rwanda.

Though Studies has also shown that access to finance has a great impact on job growth (Meghana Ayyagari, Pedro Juarros, Maria Soledad, Sandeed Singh, may 2016). However, it does not clear show to what extent access to finance impacts job growth because it is not necessary that whenever one accesses more financial resources it automatically increases the number of employees.

This study will be to assess the relationship between access to finance and SME performance in deprived areas in Rwanda.

In this study, the population will be constituted of all SMEs, 32,599 (NISR, EICV5).

The sample size is 225 SMEs in the selected districts of Rwanda.

The research findings will be presented in the full paper considering the format provided and we preliminary we undertake that access to finance in rural areas in Rwanda is still a challenge looking at the few responses we have just seen the questionnaires. But more will be elaborated in the full script.

Key words: access to finance, performance, SMEs.