

**MICRO CREDIT AND GROWTH OF SMALL AND MICRO ENTERPRISES IN  
RWANDA  
A CASE OF UMURENGE SACCO IN GASABO DISTRICT.**

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**ABSTRACT**

The study was intended to examine microcredit and growth of micro and small enterprises in Rwanda using Umurenge SACCO in Gasabo District as a case study. To identify and assess the various methods of extending micro credit by microcredit institutions, the terms of credit employed by microcredit institutions, the contribution of micro credit in the growth of SMEs. The study is especially significant because it increased on the existing inadequate information about the contribution of micro credit in the development of SMEs in the country, although some information was explored in understanding of Rwanda's urban and peri-urban micro credit use. The study also guided policy makers in particular and the government in general to institute policy frameworks that promote the development of SMEs in the context of using Micro credit from an informed point of view. The findings also enhanced their understanding of the contribution of Microcredit in the development of SMEs. The study will as well inspire other scholars to undertake studies on private sector development through the use of funds from other related financial institutions. Chapter three presents the research design, sampling techniques and sample size, data sources, data presentation and analysis techniques. It outlines the methods that were used to interpret the results. The researcher used both descriptive and quantitative research because the findings of the study were both numerical and non-numerical (respondents' opinions and views about the study variables). The study employed a mixed survey approach involving quantitative and qualitative methodology to assess the impact of SACCOs on peoples' welfare. The results of the study revealed that SACCO's clients and employees had different perceptions towards SACCOs. On whether Umurenge SACCOs have improved the people's welfare in Gasabo district, majority of the respondents 81% agreed that SACCOs have improved people's welfare compared to only 19% who said that SACCOs have not improved the welfare of the people. The challenges the SACCOs face as they provide services were determined to include; political interference (36%), resistance to change (26%), inadequate information (18%), low salaries (10%), and lack of infrastructure (7%). The study makes the following recommendations; Policy makers must ensure an effective regulatory frame work that entails adequate protection of savings and provide incentives for SACCO staff management, provide strong infrastructure including roads and offices. They should also consider the impact of the technology on customers and facilitate