

FOSTERING SMALL BUSINESS ENTREPRENEURSHIP IN TANZANIA: EXPLORING GLITCHES AND PROSPECTS FOR FUTURE DEVELOPMENT

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ABSTRACT

Small Business Entrepreneurship has been seen as a hub in generating income for the majority of urban dwellers with no formal paid employment. In Tanzania, entry into small business entrepreneurship is usually not seen as a problem. One can start small business at any time and in any place. However, the development of this informal sector has been profoundly characterized by two parallel phenomena which are perhaps contradictory in character. This has led to the proliferation and mushrooming of small businesses most of which are in the form of petty trading, generally everywhere in the urban centres. Drawing on research findings, the present paper challenges the possibility of reducing poverty in Tanzania using the strategy of developing the small business entrepreneurship under the situation where there is an increasing level of petty crime and bureaucratic hurdles. It is argued and indeed, concluded that if the present intricate and controversial situation surrounding small business is not reversed, if not brought to rest, the development is on slippery slope. The option suggested to tame the conundrum includes, developing discourse portfolio between small traders and bureaucratic authority and authorities formulating policies that can promote development of small business entrepreneurship.

Keywords: *Entrepreneurship, Crime, Small Business, and Bureaucratic*

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INTRODUCTION

Over the past fifteen years, Tanzania has embarked on an ambitious and long process of economic, social, and political reforms to improve the business environment and to increase economic growth and reduce poverty. In the past five years, despite adverse weather conditions and deteriorating terms of trade, the economy of Tanzania has been growing at an annual average rate of more than 4% (UNDAF, 2002-2006). For example, in 2003, the economy grew by 5.6% in real terms. Inflation had been reduced to 4.6% by March, 2004 (Budget speech, 2004/2005). The balance of payments position has also improved substantially with foreign exchange reserves rising and maintained at a sustainable level (UNDAF, 2002-2006). Despite all these success stories, the challenge facing the government of Tanzania is to translate these achievements into tangible human development. The depth and extent of poverty is still high with 50% of the population living below poverty line (ibid). The task of reducing poverty and improving the living standards of the Tanzanian population is huge.

The rate of growth of national economy has not been high enough to generate the number of jobs required. That brings up the issue of the majority to enter into private sector in the form of entrepreneurship and small business, thus expanding the private and informal sector of the economy from 23.9% in 1971 to 79.6% in 1996. Correspondingly, the share of Public sector in the economy decreased from 76.1% in 1971 to 18.8% in 1996. At the same time the share of

Public Sector employment in the formal sector increased from 23% in 1984 to 65% in 1994.

Given the fact that Tanzania is one of the most rapidly growing population and urbanizing countries in Africa, with total population of 34.56 million people, annual population growth rate of 2.9% and urban population growth rate of 4.5% per annum (National census, 2002), the implications of this rapid population growth are enormous. Firstly, young people will shortly constitute two thirds of the country's urban population. The entry into labour markets is expected to more than double, thus causing a further strain on already worsening unemployment situation.

It is estimated that the number of new entrants to the labour force is between 600,000 and 700,000 annually, comparing unfavorably with the less than 300,000 new jobs that are created each year, most of which are generated by informal sector (UNDP, 2003). According to the last labour force survey of 1991, the unemployment rate was 10.6% (UNDP, 2002; Bureau of Statistics, 1999).

The retrenchment exercise and the collapsing of most state enterprises that have thrown most energetic people out of sustainable and reliable income all add to the problem of unemployment. It is the fact of the day that majority of retrenchees remain in town trying to pursue other means of earning income. They resort to self-employment ventures in the form of entrepreneurship and small business.

Agricultural sector, according to official data, provides employment for four-fifth of the labour force. However, as both United Republic of Tanzania and World Bank admit, the performance of agricultural sector has been sluggish in the past decade and virtually stagnant. *"the level of growth achieved during the last decade is certainly not commensurate with the huge potential in agriculture"* (ASDS, 2001).

The levels of agricultural growth achieved during the last decade are too low to pull the majority of the rural poor out of abject poverty. Instead, they serve to perpetuate the existing pervasive poverty among the farming communities (ibid). The cumulative resultant outcome is that the sector is unattractive especially to young people, and when lack of other social services in rural areas are added, the rural-urban migration increases and reluctance of people to migrate from urban to rural areas becomes high. Secondly, the excessive population is expected to live in overcrowded slum and squatter settlements, characterized by inadequate infrastructure and services, low security system, thus harboring crime and violent practices. What is apparent is that the question of entrepreneurship, small business and crime in urban centres presents a long standing conundrum at least recently when there is high prevalence of poverty. The proliferation of crime has been fuelled by several issues including raising the level of unemployment and underemployment among young people (see later sections in this paper).

The purpose of this paper therefore is three-fold. Firstly, it presents some empirical evidence, albeit, in a nutshell, of the prevalence and impact of crime on entrepreneurship and small business based on the findings of the exploratory study conducted in the city of Dar es Salaam. Secondly, it gives inductive discussion on the magnitude forms of crime and how it impacts on small business in Tanzania. The thirdly is to highlight some Policy implications of the crime situation and how we can forge macro – micro linkage as a strategy for poverty reduction.

The central argument of the paper is that, high prevalence of petty crime surrounding informal sector particularly small business is the problem that can frustrate the growth of informal sector and even making the vision of poverty reduction foil. Also we note the difficulty of drawing clear boundary between repressive acts of bureaucrats (city law enforcers) on the one hand and the acts of small business proprietors on the other hand. Again, we question the possibility of Tanzania eradicating poverty by year 2025 as envisioned in the country's development vision 2025, under the present situation where Macro – Micro linkage is very

minimal. As we unearth the problems inflicting the sector, we also note some strategic options to bring the constraining problems to rest and also suggest Policy oriented action to make the small business sector to prosper.

Historical perspective of Crime and Entrepreneurship in Tanzania's Urban Centres

The rise of the urban informal sector in Africa is particularly associated with the post-colonial period, when rapid urbanisation tended not to be accompanied by concomitant growth in urban formal economies. The urban people adopted diverse self-help initiatives to create employment and incomes. However, both rapid urbanisation and this entrepreneurial response have their roots in the late-colonial period. For example, the planned solution to what was seen as the problem of urban growth was to attempt to limit it. Restricted numbers of more skilled employees being paid salaries which were for the first time high enough to make permanent urban residence an option were to replace scores of indigenous and temporary migrant labourers. Such thinking plainly failed to address what was evident in towns and cities throughout the continent, that ever-growing numbers of people were opting to move to the urban areas. By so doing, these migrants flagrantly contradicted colonial schemes aimed at restricting urban growth. Faced with what was often contracting employment in the formal sector, these migrants turned to the informal economy to get by, in contravention of both municipal by-laws and the colonial ideals of a restricted urban African class engaged in privileged formal employment faced with the unruly ingenuity of their subject populations, colonial authorities vainly attempted to enforce their urban vision through the criminalisation of the informal sector, and the later colonial period was characterised by periodic campaigns in which Municipal Administrations vainly attempted to clean the streets of unsightly vendors and hawkers. Despite the manifest inadequacy of such a policy, those African officials who assumed responsibility for the administration of urban centres after independence maintained this approach.

In Tanzania, Dar es Salaam in particular, the question of entrepreneurship and small business especially itinerant trading were evident even during colonial period. Leslie (1967) states that 'the standard expedients of those unable to find paid employment.' Few of these petty traders were licensed: 'the casual peddlers', observed Leslie, 'seldom bother to comply with the law.' Despite the obvious inefficacy of municipal policy, the attempt to control itinerant trading through restricting the number of licenses persisted. Unlicensed hawkers continued to be apprehended and taken to court. In 1959, as ever-growing numbers of migrants were entering the township many of whom were resorting to petty trade. The Municipal Council deliberately decided to reduce the amount of trading licenses available. Illegal tapping of palm wine (tembo) with its attendant evils of illegal selling of liquor is very prevalent in the neighbourhood of Dar es Salaam. Drunkenness and hooliganism were, as a result, on the increase especially among the youths of the sub-urban areas who patronised illegal 'tembo' clubs and 'marjuana' to a very large extent.

Municipal and district officials viewed unlicensed street trading as either a public health threat and/or an activity which undermined the licensed and controlled trade conducted in the official markets. Despite the shortage of work, the numbers of trading licenses were highly restricted as the town council maintained their long-held policy 'to keep street trading to an absolute minimum'. According to narration by Burton (2001), in 1955 special police squad was set up to apprehend, amongst other so-called undesirables, unlicensed hawkers. In the first quarter of 1955, 111 were prosecuted for trading without a license as a result of police raids. In the next quarter 31 were apprehended for the same offence.

Synopsis of Recent Intricacy of Small Business and Crime in the City of Dar es Salaam

Crime in Dar es Salaam is a topical issue which is not a new one. Although there is widespread agreement that crime has worsened significantly in the last few years at every level from petty street crime to large-scale government corruption with many stops in between. It is worrying that even Bureau de change no longer guarantees the safe exchange of their customers' money due to widespread malfeasance by employees in connection with fake notes! Indeed, much of the crime which occurs in Dar es Salaam, could be described as what historians of western societies have termed 'social crime'.

In Dar es Salaam, the ideological antipathy towards the informal sector is buttressed by social conflict. One can witness the arrest of itinerant traders and other small business people setting up their merchandize along the pavements of busiest streets such as Azikiwe, New post office, Telephone house, Samora Avenue and Kivukoni front. In September 2003, for example, a hawker popularly known as 'machinga' was seriously bitten by 'city askaris' to unconscious state and thrown at the back of Municipal lorry, along Azikiwe Street. The fracas started after the group of 'machingas' selling clothes attempted to bypass the city order of eviction along the street following the staging of SADC meeting for the first time in Dar es salaam. Many others were arrested and escorted to unidentified destination. The arrests were being conducted by a new tier of Municipal askaris. The tier had been introduced to enforce by-laws as part of the Dar es Salaam Safer Cities Programme. However, many analysts believe that such an action of city a' skaris' only serves to foster crime in the city rather than reducing it.

In the act of their apprehension, machingas and other vendors are criminalised, which the some analysts might argue that the acts could set them on a path leading to more serious defiance. For example, in November 2003 a big brawl occurred whereby a group of about 50 city hawkers invaded the Ilala Municipal Godown along Nyerere Road and killed the head of the city auxiliary police one Habibu Mwanga (The express Dec. 11 – 17, 2003). This event implies that small business undertakers and vendors are more likely to become hard recalcitrant and view the government as their enemy or obstacle for their development instead of being their facilitator.

An additional tier of municipal officials results in the proliferation of corruption, as those officials empowered with policing responsibilities seek to benefit from their position. Opinion about question of evicting and harassing hawkers differs with most analysts inclining to the side of the hawkers. They question the legitimacy of the city authority to harass hawkers while it becomes difficulty for the same authority to provide basic services such as garbage collection and filling of potholes along the street roads.

Conceptualization and Analytical Framework

Entrepreneurship is considered as the driving force behind changes in the economy as well as business environment. The term entrepreneur has evolved over the years to be used to mean an individual (group of individuals) who has the ability to see and evaluate the business opportunity existing in the environment and take advantage of it. An entrepreneur is considered to be a person with ability to take risk of organizing resources into business venture and manage it with the aim of being successful. The question of success here becomes *axis mundi* or the prime goal and vision of every entrepreneur. Entrepreneurship can operationally be defined as the ability or attempt to create and manage a new venture. It is linked with the qualities and activities of entrepreneur example, to see an opportunity and being able to benefit from it.

Discourse on entrepreneurship and small business subject can take us long to pursue. However, practitioners share some common understanding when they describe

entrepreneurship. For example, Thomas Zimmer and Norman (1996:52) describe entrepreneurship as a result of being disciplined and systematic in the process of applying creativity and innovation to needs and opportunities in the market place. It involves not only applying focused strategies to new ideas and new insights but also creating a product or a service that satisfies customers' needs or their problems (ibid). Schumpeterian takes a rather traditional view when he describes entrepreneur as a person who identifies a market opportunity and transforms it into a profitable economic value. In his view, entrepreneurship is seen as quality of a person, which includes both attitudes (disposition), takes responsibility for risk outcomes and behaviour i.e. set of action necessary to implement a venture. Other traditions such as those of Morris and Lewis regard entrepreneurship as something that requires an entrepreneurial event.

The wrangle in definition over much complicated when even authoritative institutions like Lome Convention lack a clear cut definition and categorization of 'small' and 'medium' enterprises; with categorization varying depending on the focus of analysis, degree and formality in operations, thus dividing them in to three categories.

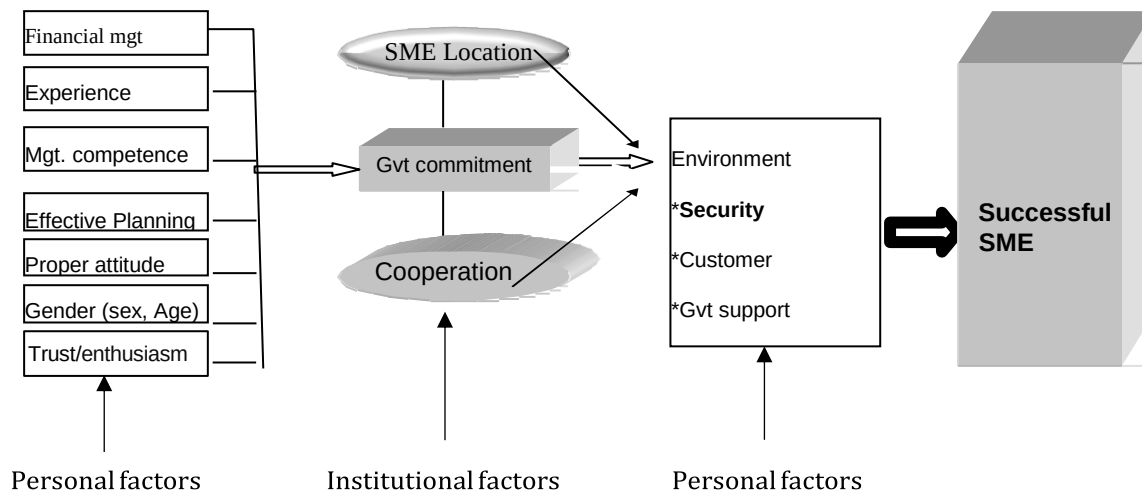
According to Lome Convention, employs more than 10 persons operating mainly in the formal sector. Craft enterprises are mainly found in the semi-formal sector carrying out simple transformation of primary products; while Micro enterprises are normally formal sectors with as many as 10 workers although the usual number is one or two with or without some part-time assistants. Even with this categorization, yet one can face difficulty in identifying the locus of itinerant hawker (*machinga*) who buys and walks long distance with few finished merchandize. The difficulty in fitting the *machinga* within the prescribed spectrum is probably what presents a conundrum even when the issue of eviction along city streets and road pavements is concerned (we have explored this issue in the preceding section and we will present empirical evidence in the later sections). All in all we offer our pessimistic and subscribe to other analysts the view that defining and fitting petty traders within the defined realm of SME is hard.

The space limits us to expound the long list of traditions and schools prescribing what entrepreneurship is and is not. Suffice it to conclude that entrepreneur is a person or group of persons who compete through innovation; discover through networks; persuade resource owner and indeed bear risk. While it is important to define and identify who is an entrepreneur, it is unfortunate that the question of factors and environment necessary for entrepreneurship especially small business to prosper has not attracted much attention from scholars. One probable reason is that many people including scholars take entrepreneurial activity as given and probably activity involving informal sector and private sector.

It is important to note that ventures exist and operate in the environment that is characterized by many variables/factors. Such factors are like legal requirements in force at a particular administrative area, security and safety reliability in the business area, customer and consumer attitude toward the merchandize and environment, pricing and capitalization structure of the venture and many more. These variables may determine the success, growth and failure of any business establishment. It is essential that entrepreneur set forth the effort to understand these factors by using various approaches like scanning the environment. The entrepreneur should as far as possible identify strengths, weaknesses, opportunity and threats of his venture before and after he has started the enterprise. On the factors that lead to success of entrepreneurship and business venture, various analysts provide different framework and factors. The critical examination and analysis of them provide the following as common factors: Formation of business organization, developing training programme for

individual entrepreneur, mechanism to enhance availability of capital fund to entrepreneurs and small business (access to credit?), linking entrepreneurs to information and technology (cf: Kimeme et al: forthcoming) and provision of access to market (UN Economic Commission for Africa). The latter can be regarded as supportive/facilitative factors. Generally, the concept of crime has become ambiguous (Leon, 1996).

Fig.1 Analytical Modal of Factors essential for Entrepreneurship success



Source: Adopted and modified from (Accuchino, 2002)

METHODS

The context of the case upon which this article is based is the ongoing move of the government of Tanzania to express its endeavor and commitment to fight abject poverty. The commitment has been expressed in the 'United Nation Development Assistance Framework (UNDAF)', which has its roots in the two national development strategies, the Tanzania Assistance Strategy (TAS), and the Poverty Reduction Strategy Paper (PRSP I and II).

I have conducted an exploratory research in the city of Dar es salaam in Tanzania, between 23.09.2021 to 02.10.2021. The main purpose of the study was to explore and describe the prevalence and impact of crime on entrepreneurship and small business in Dar es salaam. The study used case study methodology to benefit from the advantage of the 'actors' perspectives on societal context and dynamics. Primary data collecting strategies comprised qualitative in-depth Interview and close dialogue. This strategy allowed for empirical inquiry of unclear boundary between the phenomenon studies and context that is, Crime and its impact, Small business and entrepreneurship.

A cross section of about 130 Small business vendors including 'food vendors (mama/baba lishe), second cloth vendors and itinerant hawkers (machingas)' were involved whereby guided questionnaires and unstructured in-depth interview were administered. Seven (7) officials from three districts which are at the same time Municipals of Kinondoni, Ilala and Temeke responded to interviews. Also leaders of small trader's organization (VIBINDO) were interviewed. The main study used qualitative data analysis approaches including 'Causal mapping techniques, content analysis and discourse analysis. The documentary sources of information drawn upon included generic literature on crime as well as other documents related to entrepreneurship and small business, poverty reduction strategies and situation of crime in developing countries. The latter included various reports, speeches and other written body of literature. Three limitations of the main study, consequently to this paper, have to be mentioned well before hand. One is the small size of the sample that responded to the data collection instruments.

The researchers used descriptive analytical method which tries to "linking crisis and emergency management in strategic management process of NGOs in Gaza strip" and descriptive analytical method tries to compares and explains and assesses to reach the generalizations meaningful increases the stock of knowledge on the subject, has been collecting data from sources primary and secondary sources

Study population and sampling

A cross section of bout 130 Small business vendors including 'food vendors (mama/baba lishe), second cloth vendors and itinerant hawkers (machingas).

RESULTS AND DISCUSSION

Administrative Structure of Dar es salaam City Council

The Administrative structure of Dar es Salaam City Council is such that, it has three municipal councils of Ilala, Kinondoni and Temeke. The city is headed by Honourable City Mayor, with an Executive Director appointed by the President. The City Council is hydra headed, meaning that the City Council is an umbrella housing three Municipal Councils of Ilala, Temeke and Kinondoni. Every Municipal Council is headed by politically elected Honourable Mayor and Presidential appointed Executive Director. All in all the councils are accountable and answerable to the Minister for Regional Administration and Local Government (RALG). At lower tiers of the administrative structure are Ward and Mtaa or Kitongoji whose leaders are appointed and accountable to Municipal Director.

Table 1. Dar es Salaam Administrative Structure

District/ Municipal area	No. of Divisions	No. of Wards	No. of Mitaa	No. of villages	No. Vitongoji	Population. mil. (est), 2002
KINONDON (521.695Km-2)	4	27	113	14	14	1.08
TEMEKE (786.515 km-2)	3	24	97	15	62	0.78
ILALA (272.677 km-2)	3	22	65	9	27	0.62
Total	10	73	275	38	103	2.49

Source: Compiled from various resources including Ilala, Kinondoni and Temeke Municipal comprehensive Health Plan 2002/3; Dar es Salaam region profile 1999; Environmental Profile for Dar es salaam City 1998

Table 2. Socio-Demographic Characteristics of the Sample

	Temeke (n=68)	Kinondoni (n=19)	Ilala (n=43)	Total (130)
Sex				
Male	40	16	18	74
Female	28	3	25	56
Age group (Yrs)				
14-25	12	6	16	34
26-36	50	12	25	87
Above 40	6	0	3	9
Education Level				
No schooling	3	0	16	19
Primary education	55	16	25	96
Secondary education.	9	3	3	15
Above sec. educ ation. 0				
Marital status				
Married	34	6	25	65
Single	34	12	16	62
Widowed	0	0	0	0
Divorced	0	0	3	3
Duration in venture				
1-5 years	40	12	22	74
6-10 years	9	6	16	31
Above 10 years	19	0	6	25

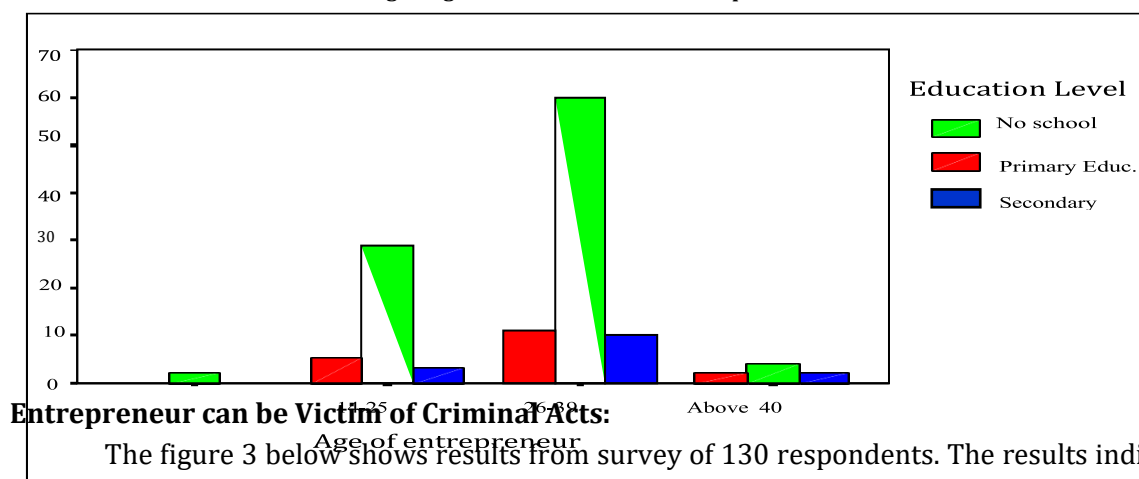
Source: Compiled by researchers from data collection instruments

Most People Enter into Small Business Entrepreneurship probably Because of Lack of Adequate Formal Education and Alternative Payable Employment.

Most people enter into small business because of lack of adequate education and difficulty of finding formal employment. There are very few who were formerly employed engages in small business due to various reasons including retrenchment. The findings revealed that majority enter into entrepreneurship and small business because they do not have adequate education background and therefore it is difficult for them to find alternative paid jobs (36%). This findings is not new as they are supported by several other similar studies conducted in in Tanzania (cf: Kuzilwa, 2003, Mbwambo and Arbogast 2003). This implies majority of small traders responded during the study believes that small business entrepreneurship and other ventures as the last resort for them to earn livelihood.

Deducing from table 2 above and figure 1 below, qualitative information would suggest that majority of entrepreneurs and small business stakeholders are predominantly male (56%) of middle age (mean age 30 years). In addition, the majority of respondents are primary school leavers (73%) which corresponds to other studies conducted in Tanzania (cf: Kuzilwa, 2003; Mbwambo, 2003) and majority have stayed in entrepreneurship for 1-5 years (57%).

Fig. 1. Age and Education Level of Respondents



Entrepreneur can be Victim of Criminal Acts:

The figure 3 below shows results from survey of 130 respondents. The results indicated that 81.5% of the respondents had the opinion that any petty trader is a potential victim of criminal behaviour. The small business vendors are not certain of their safety and security. They believe that provided one is serving in this troubling sector, it is just a matter of time for any vendor to succumb to criminal related intricacy. When we asked as to who are really perpetrators of a crime against their venture, it was revealed that spivs and thugs are the main perpetrators (36.9%), other category are city askaris (24.6%). Spiv is acronymy standing for 'suspected person and itinerant vagrant'. It was revealed also that any petty traders can suffer from criminal behaviour. Street vendors and itinerant hawkers as a category are seen to suffer more than their mama/baba lishe counterpart's. Echoing on the problem of city askaris ; one street vendor Kevin Timoth has this to complain, "...are trying to make business, here, hadn't it been for the problems of city askaris who harass us every time, we could have been experiencing a boom in sales at this time close to Eid El Fitir and X-mas..." (ITV News, at 8.00 pm, Saturday 22, 2003). Therefore, the problem of crime is so prevalence to the extent that one is not certain as when he/she is going to suffer a loss.

Destruction of Properties, Petty Theft is the Common Form and Type of Crime Facing Entrepreneurship and Small Business Proprietors

Our interview with small traders as respondents indicated that the two forms of crime were rampant and the most leading forms of crime having longstanding negative impact to their

venture. The destruction of properties is the leading form and type of crime (45.5%). The second is Petty theft (36.2%).

“...my business is paying, the big problem is city askaris, you know it is difficult to tell you (researcher) when and in what way they will come. They change tactics! When they come they can take everything including eating the food! So you have to buy new utensils now and then. I cannot reach anywhere; it is just wastage of time (mama lishe – Kisutu)”

The Motive to Conduct Business in particular Place and Not the Other is Mixed and Not Clear among Small Traders.

Probably what makes entrepreneurship and small business much worrying to public health and city orderliness is the behaviour and practice of the undertakers to set their business anywhere in the city. In Dar es salaam and other towns in Tanzania, the small business merchandizes are everywhere. Along the road sidewalk, at bus stop waiting stalls, at major road junctions, at traffic lights and even in front of public offices. It is possible to find clothes for sale displayed at a place with a big placard reading ‘It is prohibited to conduct business at this area’.

The movable kiosk stalls are scattered everywhere. In most of these kiosks the proprietors usually sleep inside during the night. Some kiosks’ owners attend natural call underneath parked trucks. These kiosks are usually moved and stalled during the night when city fathers have gone to sleep. Sometimes these kiosks pose threats to licensed big shops as they tend to have similar items sometimes with relatively cheaper prices. To reduce the threat, untrustworthy and incredible big business shop proprietors collude with kiosk and other itinerant hawkers.

The vendors are given items from the shop and sale them outside. This tactic enables them to evade tax. The only benefit the vendors accrue is additional money when they happen to sell above what has been ordered by their boss (kidogo dogo cha juu). With all these problems, it can be argued that probably city authorities have good reasons to evict the small traders. As part of our specific objective, we wanted to get insight from entrepreneurs and small business undertakers themselves of their most preferred areas to conduct their business and reason(s).

While it is common to hear and read in the media about small traders complaining of the failure of city authority to provide and designate places for them to conduct their ventures and the difficulty situation they face from the acts of city authority the empirical situation suggests a different scenario.

The findings are quite mixed and worrying. For example, when the results of the interview were cross-tabulated, the fact was easy to grasp. Many of the small traders interviewed indicated that they preferred to conduct business along the major road (42.2%). However it could be observed that the return on their capital and profit margin were relatively low (36.1%). Close examination revealed that the security threats along major road is comparatively as low as (26.6%). The findings indicated that, where the security was high (allocated places 46.1%), the places attracted very few traders, probably because of the low return on capital and low profit (7.2%) or probably because of other reasons. Why small traders will be prepared to face and absorb high risk and authority’s consequences than refraining from conducting business in the areas they prefer remains unclear at least within the context of this study.

Empirical case was one respondent who through interactive discussion with the researcher aptly and confidently made the following statement:

“Since I started my business, I have never moved to any other place and I do not have any intention to do. The workers in these offices are my good customers. Yes I get good profit by just selling these neckties and mobile phone suits. Although this place is prohibited by city council

and city askaries make constant raids. I survive because I can easily run and hide behind these buildings (he shows the buildings to researcher) and when picture gets caput (tactics fails) I lubricate them with something (kidogodogo) and then they leave me alone! Yes that's how we survive in the city (name - 22 years old – male, along Samora Avenue)".

Table 3. Preferred Places for Business and Reason

Preferred place for business in the (security city areas)	Motive to conduct business in the area (return on capital and profit gain)		Major concern in business and safety	
	Count	%	Count	%
City	31	24.2	62	37.3
Centre Major roads	54	42.2	60	36.1
Alloc.Area	18	14.1	12	7.2
Any where	25	19.5	32	-

Source: Computed from Field data March – April 2003

Small business Proprietors Would Use Some Illegal Means to Protect Themselves from Criminal Acts.

To the extent that small traders would like to conduct their ventures in places with good security, and where they can attract profit, they do also try to protect themselves from criminal threats. They protect themselves against *spivs* and anybody attempting to jeopardize their endeavors. When vendors are confronted with any person for the purpose of vandalizing and looting their merchandize, they try to use available means to protect themselves, irrespective of their legality. Sometime they engage in open fight with city *askaris*. In the course of doing that, they find themselves losing their merchandize; sustaining body injury and even being criminalized. Sometimes small traders destroy properties including vehicles belonging to government as their retaliation.

The findings from interview with small traders indicated that small business vendors would be prepared to use any means possible to protect themselves. They use various strategies including staying in groups for ease of spotting the appearance of city *askaris*. According to them, the groups help them to pin down city *askaris*. The group is prepared use even confrontational means including fighting with law enforcers such as police and city militia. The fracas of 25th November 2003 whereby itinerant hawkers (*machinga*) engaged in heavy fights with city *askaris* is just one example. In that incidence, *machingas* used stones to defend themselves against city *askaris* who were trying to evict them from the city centre streets. Several properties including government vehicles were destroyed. City *askaris* reacted by beating small traders (*machinga*). They also disappeared with unaccounted merchandizes including food utensils used by *mama lishe* (Majira Wednesday 26th November, 2003). In 1995, operators of unlicensed backyard garages at *Kidongo Chekundi* in Dar es Salaam vowed to slice with *pangas* any city militia who could attempt to evict them in the place where they were operating their unlicensed garages (sic). In 2002 heavy fighting took place at *Mchikichini* small traders market between small traders and *spivs*. Again in 2002, fracas erupted at Kariokoo streets between small traders and city militia in the wake of an attempt to clear them from the streets of *Msimbazi*, *Kongo*, *Tandamti* and Girls schools in Dar es salaam. All these events suggest the existing and potential tension between small traders and city authority. Majority of small traders indicated that reporting to police (27.27%) was not the commonest used solution to them. However, it was not clear what sort of weapons small traders were using when encountering city militia or criminals although the researcher managed to spot a knife in one of the vendor's bag.

Table 4. Means of Protection Among Small Traders

Means of defence	Frequency	Percent (%)
Reporting to Authority	33	27.27
Fighting/other self defence	46	38.01
Staying with colleagues	34	28.09
Running away	18	14.87
Total	121	100.

Source: Computed from field data March/April 2003

CONCLUSION

In this paper I have tried to unfold various issues that cluster and affect the development of small business entrepreneurship in Tanzania. I have attempted to dwell on the challenges of sustaining and creating conducive environment for small business to grow and prosper. So far I have explicated evidence and arguments that highlight that we have a long way to go before informal sector, particularly small trading is brought into economic viable business. A lot of issues and challenges breathe at the throat of the sector. Generally, it can be concluded that in Tanzania developing and sustaining small business entrepreneurship is uncertain and complex strategy. Most actions undertaken by and events connected to the entrepreneurs and small business traders on one side and city authority on the other, raise issues that are fundamental in attracting the attention of Policy makers and that Micro Policy that need to address. Habits and styles of bureaucratic behaviour of bureaucrats responding to urban governance problems including small business orders need to be reassessed so that they don't constrain the endeavour to develop the sector which can otherwise contribute to a strategy of reducing poverty among the poor.

The informal sector is at a more critical point now than at any other time in the economic trajectory of the country. The government and donor's commitment to support informal sector has brought the issue to centre stage (see among others: UNDAF 2002, UNIDO2002, PRSP I and II, of 2001 and 2004 respectively, and Tanzania Development Vision 2025). Given the economic forces at play and the demands from citizens for efficient and honest support from bureaucracy, one can expect that small business entrepreneurship development will continue to be on top priority. Disappointingly, and because the political stakes is high, there are constant conflict as I highlighted elsewhere, causing unhealthy future of the sector. It is even over shocking to note that at some point both city '*askaris*' and '*machingas*' can simply ignore the law by upholding open fight and brutality. Given the intensity of explicated events and data presented earlier in this paper, there is every reason to predict that the future development of small business entrepreneurship is on the slippery slope and that immediate Policy action is required. However, the demand and justification for entrepreneurship and small business endeavour as a strategy of reducing abject poverty in Tanzania are unavoidable.

The list of events and difference in opinions and view about the present and future of small business entrepreneurship in Tanzania is all such long and might be tedious to explicate at length. There has not been adequate space in this discussion to consider the situation in a wider and empirical context such as down to villages and other sub-townships. Suffice, as noted earlier, to point out that the pressure from citizens especially those with no formal employment who are aggrieved by malpractices of city authority law enforcers has on accession been so intense as to attract and call upon the government and policy makers to throw light on this sector.

While there are legitimate concerns about an unregulated informal sector including those relating to public health a balance has to be struck which takes more account of the needs of the urban poor who form a majority in towns and cities in sub-saharan Africa as opposed to the interests of either the propertied classes, or the public order concerns of urban officials. Evidence from both the colonial and the post-colonial periods shows us that the criminalisation of the informal economy tends to lead to more crime and not less. Furthermore, it serves to weaken the legitimacy of the state and state institutions among the urban poor. The prevailing situation as we briefly diagnosed bring difficult in linking Macro-Micro enterprises and thus frustrating the entire strategy of poverty reduction among the poor majority.

From the field evidence revealed relating to the democratic profile such as education background and age of people engaging in small business there is less doubt that these people might need some action oriented Policy. The Policy that will address such key archetypical issues constraining the development of informal sector. The minimum package of issues revolving around institutional issues such as regulations, authority dedicating designated customer availability places for their venture, environmental issues like creating safe environment for them to conduct their venture, and Policies and regulation concerning entrepreneur's personal factors such as business skill, planning and development programs and the like. It is important also that the state authorities entrusted to enforce law and order exercises the trust with some restraints. Even if there could be good reasons and justification for acting and sometime harassing the small traders, but balancing of interest is very important. Paradoxically, there are several alternative ways of improving the situation and making the micro sector impact specific and link with macro sector on poverty reduction. We can suggest that further to the adoption of the proactive Policies and regulations we suggested above; another new avenue can be adopted by the insiders of the sector. The important one is by fostering discourse platform between small traders and urban bureaucrats. This option will not only create conducive environment for informal sector to grow and sustain, but will also bring to rest the problem of open conflict and feuds between city authority and small traders. Key players such as ruling party leaders should translate their party policy into actions by providing continuous support to this micro sector much as it does to macro sector not only at periods close to elections but also at any other time . They should leave the hypocritical politics aside and contest to rule the people for the wellbeing of the country.

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