

Assessment of the Effectiveness of Strategies Used in Developing SMEs in Tanzania (The Case of Dodoma City Council)

Nyabakora, Wakara Ibrahimu*, Mnada, Mligo, Samanya, Eliakundi

Department of Local Government Accounting and Finance

Local Government Training Institute (LGTI)

Dodoma, Tanzania

wnyabakora@gmail.com

Abstract: *The research was to assess the effectiveness of the strategies used by Dodoma City Council in developing SMEs. The city was chosen due to the fact that it comprises both rural and urban characteristics. The research uses cross-sectional research design, where data is collected once and in large subjects in such a way that various issues are studied, like the behaviours and attitudes of the respondents. Both primary and secondary data were collected using structured questionnaires, interviews, and focus group discussions, while in data analysis, a combination of both qualitative and quantitative methods was used. The study found that the strategies to develop SMEs are effective but have only been partially implemented. Regardless of the low entrepreneurial knowledge that small business practitioners have, SMEs development programs in Tanzania are not effectively implemented. The government formulates programs but leaves them partly implemented and partly unimplemented. It is found that LGAs link SMEs to financial institutions but leave them with no training regarding fund management, which results in many SMEs falling into bankruptcy and causing non-performing loans to financial institutions that end in economic failure. The findings will be used by the local government authorities to widen the SMEs development programs and train the SMEs on SMEs' growth and development programs, something that was perceived to be done by the government, though it was left in between the implementation process.*

Keywords: Implementation, Programs, SMEs, Strategies, Tanzania

1. INTRODUCTION

In Tanzania, SMEs' classification has been given by [1], where micro enterprises have 0-4 employees, small enterprises have 5-49 employees, medium enterprises have 50-99 employees, and large enterprises have 100+ employees [2]. To make it clearer, the policy adds that one has to consider other business features like size of capital and amount of turnover as additional considerations in their definition [1].

The government, through the local government authorities, has tried to make various efforts to use strategies and programs that aim at ensuring smooth development and growth of the SMEs in their area. However, these strategies and programs have been seen to be less effective in the removal of the SMEs setbacks [3], [4]. The entry and exit of SMEs in the Tanzania market has been a problem since Independence [3].

The key challenges which have been reported by SME holders during various studies include lack of proper infrastructure, poor government support, lack of capital, poor training and consultancy services, lack of proper skills in using technology, multiple taxation systems, lack of proper business management skills, and the presence of high market competition from global markets [3], [5], [6], [1], [7], [2].

As a result, the government, through its various units, has attempted to make some efforts aimed at removing or minimizing these SME challenges. Some of the strategies adopted by the government to curb the problem of SMEs in Tanzania include the following: setting up industrial/business parks and business incubators for SMEs, offering subsidized business training and consulting to SMEs, offering some incentives, such as cash incentives for market research and worker salaries, to support medium and small business holders to employ many people in their businesses, especially

in health-related businesses like private dispensaries and health centers, where the government takes charge of paying the staff like doctors and nurses in these types of SMEs, providing necessary infrastructure that enables the SMEs to access the area, enhancing public services like power and water, and even putting in place the rules and policies that enhance their smooth operation. Furthermore, the LGAs improve the flow of information about the market for SMEs and give some tax exemptions at the time of beginning the micro activities. Lastly but not least, the LGAs have been directed by the central government to link the SMEs with lenders and, where possible, negotiate the lending terms with the lenders so as to convince them to offer soft loans to the SMEs. Where deemed necessary, the government tends to establish the financial institutions to offer loans to the SMEs holders [8], [3], [9], [10].

The literature indicates the SMEs challenges and problems started in the colonial era [11]. They also describe that since independence, the Tanzanian government has initiated a number of strategies and programs that have been reported to be undertaken by the government as a way of supporting the development of SMEs. Some of these strategies include the establishment of specialized institutions like (SIDO, NSIC, TIRDO, NMB, TBS, TEMDO, BEST, and VETA; Developing some funding organizations that are specifically for the purpose of supporting SMEs growth. Examples of these funds include the National Entrepreneurship Development Fund (NEDF), Youth Development Fund (NDF), Women Development Fund (WDF) and the Presidential Trust Fund (PTF), [1], [2], and [10].

Using the above institutions, the government managed to play some of the roles, like the establishment of

business development centers, the setting of various special business establishment areas, and the launching of various reforms such as MKURABITA, structural adjustment programs I and II, Vision 2025, and MKUKUTA [4] and [12] MKUZA in Zanzibar Island, the Business Environment Strengthening in Tanzania (BEST) programs that aim at enhancing the SMEs to formalize and operate smoothly [11].

In addition to what the United Republic of Tanzania government does, the role of enhancing the development of SMEs has been assigned to the LGAs. Each LGA has set out some programs and strategies to enhance the development of SMEs in their jurisdiction. Some of these strategies include the SME enhancement (Youth and Women) fund, in which every LGA sets aside 10% of their own source of revenue for this purpose [1], [2]. Not only that, but also the government's efforts toward improving the SMEs in our country established the Private Public Partnership programs that allow the emergence of private sector firms that offer service to the SMEs in partnership with the government [1].

All the above reforms by the government were due to the fact that, the sector is crucial to Tanzania as it employs more than 5.2 million people [2]. It is considered to be the second largest informal employer, employing about 20% of the total workforce [13]. The MSMEs have an employment growth rate of 12%, which is far higher than the total national employment growth rate of 4%, which is recorded to be the case [10]. This indicates how important the sector is and therefore needs close government support as it helps the government to employ its idle population.

However, despite the prevalence of many strategies by the government, there is still a low result in reducing the SMEs' challenges, which is why the need to conduct a study to determine the effectiveness of the strategies to deal with the small and medium enterprises' problems.

2. REVIEW OF LITERATURE

Various studies have revealed that SMEs have increased importance in the growth and development of the world economy. Ref. [14] notes that SMEs play a pivotal role in promoting lower-level economic growth and act as economic catalysts for sustainable development. Ref. [15] notes that the SMEs sector, apart from being employers of the jobless class, in developing communities, has contributed a lot to employing a large part of the working population, like Japan, Germany, and the USA, as some of the countries which have benefited from SMEs by employing, 80%, 50%, and 46% of the working population in these countries, respectively.

In low-income countries, SMEs account for more than 95% of total employment, while in middle-income countries, SMEs account for roughly 70% of GDP [16], [17].

With evidence on how SMEs contribute positively to the national economy, it is important for the government to ensure that the programs and strategies imposed to deal with SME challenges are effective and efficient [7].

The government of Tanzania has worked a lot to reduce the barriers to entrepreneurial growth and success. The

barriers dealt with are discussed in the empirical literature and are evidenced to be the stumbling blocks for new start-ups, growth, and new entrants. These are Low management skills and competencies, insufficient financial understanding, lack of business management training, and technical capabilities are all barriers in the internal environment of a corporation [18].

According to [19], the performance of SMEs is positively affected by managerial skills. They went on to illustrate that managerial competence and skills are measured using managerial experience, education, expertise, and start-up experience. Furthermore, among the challenges were a lack of financial accounting and planning because many SMEs' holders had only an elementary understanding of financial and accounting matters [18]. Furthermore, [20] found that due to little awareness regarding financial matters, SMEs' owners and managers used to not value the important financial information, which led to a failure in reporting the implication of their businesses.

Ref. [21] found that access to funding is one of the key difficulties impeding the growth and survival of SMEs in South Africa. However, one of the reasons for the slowness and complexities in processing SMEs' loans was the financial crisis, which made financial institutions take more precautions before making them mature [22]. Nevertheless, access to credit was a challenge for SMEs in many developing nations even before the crisis, as they struggled to get the funds they needed for their growth. Consequently, in many economies, banks do not give appropriate funding to SMEs [23]. According to [24], the majority of SMEs use internal financing to settle their obligations due to an inability to access external sources. They only struggle using family sources, owners' personal funds, and friends' loans, which are always insufficient for SMEs investments. As a result, SMEs require external financing to mitigate the impact of cash flow challenges [17].

Ref. [9] found that strategies can be formulated but their implementation faces many challenges that hinder the performance and development of SMEs in Zimbabwe. Furthermore, according to [9], the results of a strategy can vary based on a firm's capacity to implement its strategies. However, according to [9], successful strategy implementation can be accomplished by senior management and employees taking responsibility for human resources development. This leads to a circumstance in which new talents, among other things, must be created before strategy implementation. Human capital shortages have an influence on strategy implementation in SMEs and developing countries. This scarcity of human resources results in overlooking some of the managerial development issues in such a way that resources are diverted to other deemed sensitive parts of the business [9].

The question of why some companies can achieve exceptional results (such as customer satisfaction and staff happiness) while others are unable to was answered by 25 and 26. That firms' internal strategic decision-making efforts are crucial in implementing strategies, the result of which is

success. In this regard, SMEs that have a strong decision-making team seem to deliver good economic results.

Not only that, in solving the challenges facing entrepreneurship development, governments of countries carefully plan and implement strategies to deal with the challenges facing them by using successful implementation strategies. One of the time-consuming and complex duties is how to implement strategies put beforehand. For example, implementing programs formulated by the government needs the close participation of people by scanning both the external and internal environment. The government may need to implement the research findings on the challenges facing SMEs, but when it fails in process implementation, created strategies will not yield the expected results [27]. In this context, [27] asserts that leaders usually underrate the strategy implementation process such that, after injecting funds into the SMEs, they leave the process in the hands of different people having wrong knowledge regarding the situation at hand; this results in the failure of the strategies, but not due to implementing the wrong strategy but to poor execution of the same. The success of a business is dependent on how well strategies are implemented [27].

Consequently, environmental issues are discussed in the literature regarding efficient operation. These are the presence of a skilled labor force, the provision of training [28], legal frameworks for enterprise operation, the presence of experienced entrepreneurs, and favorable government policies [17], [26]. Furthermore, the research reveals that people's attributes, such as their talents, motivation, and experience, play a vital influence in the establishment of new ventures [25].

Also, in various economies, entrepreneurial ecosystems suggest that low bureaucratic governments that provide training to new startups and potential entrepreneurs. Furthermore, having tax freedom and other incentives increases the possibility of entrepreneurial growth [28]. Additionally, urbanization, availability of financing sources, and availability of entrepreneurial incubators for research and training have been found to be particularly helpful in increasing the rate of new venture development [28]. According to the literature, entrepreneurs encounter a number of challenges, including limited financial help, an absence of information about types of entrepreneurships, economic instability, and political instability [26].

Refer to [17] for a variety of policy approaches to fostering entrepreneurship, such as tax breaks, venture capital funds, protection of innovative proprietary rights, strategy implementation, strengthening research and development institutions, fostering entrepreneurship by educational institutions, and lowering entry barriers [29].

All the variables discussed were prevailing in the Tanzanian economy, and the government intervened in the situation by formulating strategies that could lead to good performance. However, apart from all the government efforts, there is still poor performance among small and medium enterprises. This is the call for our research to test the effectiveness of the strategies implemented by the Tanzanian

government. The study assesses how independent variables like SME's owners' awareness of the particular program undertaken by LGA, location of the SMEs in relation to LGA, coverage of the program, level of interventions made by the government to ensure program success, level of motivation held by the entrepreneur in relation to the adoption of the program initiated by the government, perception of the SME holders toward these programs affect the dependent variable, the effective implementation of the SMEs development strategies in the country.

3. RESEARCH METHODOLOGY

This is an exploratory study that aims to investigate the causes of the failure of SME policies and programs in Tanzania. It is based on an analysis of various issues like level of awareness, coverage, SMEs owners' perception, the level of interventions conducted by the government to make the strategies and program effective, and the availability of the tools and equipment to implement the program and strategies initiated. Lastly, we assess the procedures and processes used to bring out these strategies or programs in relation to the real Tanzanian business context.

3.1 Study area

This study was conducted in Dodoma, which is the capital city of Tanzania with a high trend of SME growth and with many government bodies involved in SME policy formulation and implementation (MSMEs support Institutions). In addition, the city was chosen due to the fact that it has areas with both rural and urban characteristics where the study can draw the sample population that will have a reflection of the whole Tanzania SME environment.

3.2 Population of study

The study uses SMEs' stakeholders such as SMEs owners, workers at the Dodoma City Council, and SMEs' supporting institutions.

3.3 Study design

The researchers use cross-sectional research design where data is collected once and in large subjects where various issues are studied, like behaviors and attitudes of the respondents.

3.4 Sampling

The study involves both probability and non-probability sampling. Therefore, as we have multiple sampling processes in this study, under stage one, simple random sampling has been used to choose SMEs that were included in this study. The use of this method is due to the fact that SMEs have no reliable record of their business entities available in Tanzania's business authorities [30].

After selecting the SMEs, the researchers use a purposive sampling approach to choose respondents from the SMEs for the researchers to choose the most appropriate individuals who are information-rich [31].

3.5 Sample size

The researchers used a sample of 250 respondents from SMEs' supporting institutions, SMEs' owners and their

staff from Dodoma City Council with whom the researchers conducted interviews. The researchers have decided to use this sample size due to the limitation of the resources as supported by [32]. One must accept the limitation imposed by the researchers due to a shortage of resources and try to utilize the available sample to the best advantage.

3.6 Data and data collection tools

The researchers collected both primary and secondary data. Primary data was obtained through interviews and questionnaire methods. Interviews were used with some of the owners and staff of the various SMEs, as they are people who are information-rich, though interviews could allow the researchers to solicit more insights from them. The reason for this is to allow the researchers to collect data from a large number of owners and managers in order to obtain a reasonable number at a low cost [30].

3.7 Data analysis

A combination of both qualitative and quantitative methods was employed to analyze the collected data. Qualitative data from in-depth interviews and focus group discussions was analyzed using qualitative description, whereby relationships and similarities within the data were identified and explained. The content analysis was used to clarify the respondents' open comments and elaborations during interviews. Quantitative data were analyzed using the computer program Statistical Packages for Social Scientists (SPSS) version 20, which mostly involved questionnaire data.

4. RESULTS

This section provides the findings of the study based on the research question which aimed to assess the effectiveness of strategies used in developing SMEs in Tanzania, with Dodoma City Council as a case study. Findings include demographic information (education level, sex age, marital status, family size, and experience), and are followed by program awareness, program support for business growth, and the programs' coverage in the study area.

4.1 Demographic information

4.1.1 Sex of respondents

Figure 1: indicates the sex of respondents. Among 250 respondents who participated in the study, 78 percent were male and 22 percent were female.

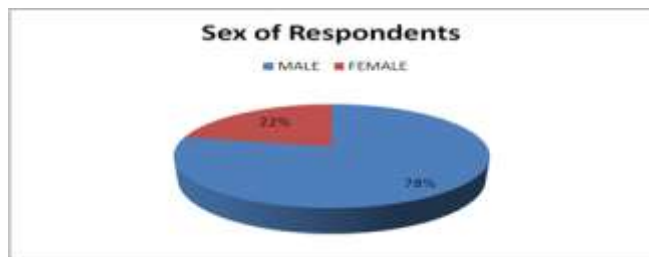


Figure 1: Sex of respondents. Among 250 respondents participated in the study, 78 percent were Male and 22 percent were Female.

4.1.2 Age of respondents

The researchers wanted to know the age bracket of the respondents to ascertain the effectiveness of strategies used in developing SMEs in Dodoma City Council. Age was grouped into brackets of 16–24 years, 25–35 years, 36–44 years, and above 44 years. It was established from the study that 17 percent of the respondents were aged between 16 and 24 years, 26 percent were between 25 and 35 years, whereas 31 percent were between 36 and 44 years, and 26 percent were over 44 years. This is shown in table (1).

Table 1: Age of respondents

Age	Frequency	Percent	Cum. Percent
16-24	43	17	17
25-35	65	26	43
36-44	78	31	74
44- above	64	26	100
Total	250	100	

4.1.3 Marital status

The respondents were asked to indicate their marital status. As shown in table 2, the majority (62 percent) indicated that they were married, while 25 percent indicated that they were single, 6 percent were divorced, and 7 percent were widowed, as shown in table (2);

Table 2: Marital status of respondents

	Frequency	Percent	Cum. Percent
Married	156	62	62
Single	63	25	87
Divorced	15	6	93
Widowed	16	7	100
Total	250	100	

4.1.4 Family size

Based on the analysis presented in figure 2, the majority of the respondents had three family members (40 percent), followed by four members (30 percent), respondents with two members (22 percent), and those with five and above (8 percent).

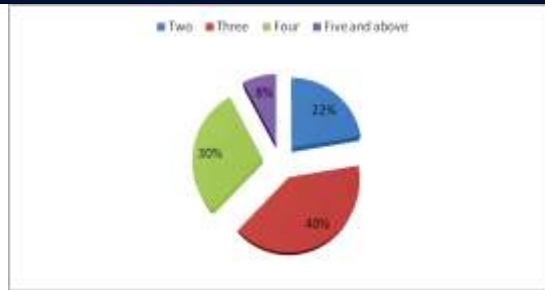


Figure 2: Family size of respondents

4.1.5 Level of education of respondents

The study attempts to establish the level of education of the respondents. According to the results in figure 3, the majority (51 percent) had primary education, 22 percent had secondary education, 18 percent had college qualifications, and only 9 percent had university qualifications. This indicates that the majority of those who are engaged in SMEs are those with primary education.

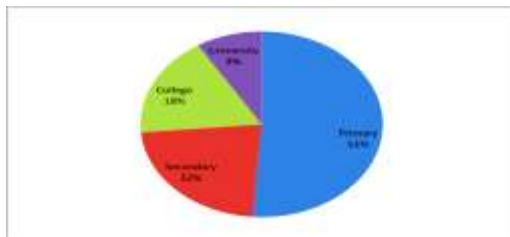


Figure 3: Level of education of respondents

4.1.6 Work experience

It was important to seek this information to establish the number of years the respondents have worked to ascertain their experience on issues related to strategies used in developing SMEs in Dodoma City Council. According to the study, 42 percent of respondents worked for 0–3 years, 32 percent worked for 4–6 years, 18 percent worked for 7–10 years, and 8 percent have been in business for more than 10 years, as shown in table (3).

Table 3: Work experience of respondents

Years	Frequency	Percent	Cum. Percent
0-3	106	42	42
4-6	80	32	74
7-10	44	18	92
More than 10	20	8	100
Total	250	100	

4.2 The Extent of program support

The study sought to establish the extent of programs being supportive to SMEs in Dodoma City Council. Table 4 shows that 210 respondents (84 percent) said that the programs had been helpful to them, 2 percent considered them

moderate, and only 14 percent considered them low in terms of support for SMEs.

Table 4: The scope of program support

Ranks	Frequency	Percent	Cum. Percent
Highest	159	64	64
High	51	20	84
Moderate	5	2	86
Low	35	14	100
Total	250	100	

4.3 Awareness on the supportive program

Results in table (5) indicate that 84 percent of respondents agree that they are aware of the presence of supportive programs for SMEs in the study area, 3 percent are neutral, and 13 percent disagree.

Table 5: Respondents’ awareness on the supportive program

	Frequency	Percent	Cum. Percent
Agree	147	59	59
Strongly agree	63	25	84
Neutral	7	3	87
Disagree	10	4	91
Strongly disagree	23	9	100
Total	250	100	

4.4 Financial support from programs

The study wanted to know if respondents benefited financially from existing programs that help SMEs in the study area. Findings as indicated in table (6) show that out of 250 respondents, 185 respondents, which constitute 74 percent of total respondents, disagree on the benefit gained in terms of financial support. Only 60 respondents (24 percent) indicated they would benefit from financial support, while 5 respondents (2 percent) were neutral.

Table 6: Benefitted with financial support from programs

	Frequency	Percent	Cum. Percent
Agree	45	18	18
Strongly agree	15	6	24
Neutral	5	2	26

Disagree	154	62	88
Strongly disagree	31	12	100
Total	250	100	

4.5 Exemption from taxes and fees

From Table 7, most of the small and medium-sized enterprise owners disagree on whether they benefit from the exemption from taxes and fees. However, only 18 percent agreed that such a benefit existed, while 1 percent were unsure.

Table 7: Exemption from taxes and fees

Statements	Frequency	Percent	Cum. Percent
Agree	30	12	12
Strongly agree	14	6	18
Neutral	2	1	19
Disagree	114	46	65
Strongly disagree	90	35	100
Total	250	100	

4.6 Business management training

The findings in table (8) relate to whether LGAs' strategies support SMEs through business management training in fulfilling business objectives. A resounding 66 percent of those polled disagree. On the contrary, 28 percent agreed, while 6 percent were neutral.

Table 8: Business management training

	Frequency	Percent	Cum. Percent
Agree	45	18	18
Strongly agree	25	10	28
Neutral	14	6	34
Disagree	75	30	64
Strongly disagree	91	36	100
Total	250	100	

4.7 Assistance in packaging design

From table (9) on whether LGAs support SMEs in packaging design, It was found that 208 respondents (84 percent) disagreed, 31 respondents (12 percent) agreed, and 11 respondents (4 percent) were neutral.

Table 9: Assistance in packaging design

	Frequency	Percent	Cum. Percent
Agree	18	7	7
strongly agree	13	5	12
Neutral	11	4	16
disagree	109	44	60

Strongly disagree	99	40	100
Total	250	100	

4.8 Linking the SMEs' holders with financial institutions

The survey found that there is an effort to connect SMEs with financial institutions, with 56 percent of 250 respondents agreeing. However, as shown in table 10, 95 respondents (38 percent) were in disagreement with the matter, while 15 (6 percent) were neutral.

Table 10: Linking the SMEs' holders with financial Institutions

	Frequency	Percent	Cum. Percent
agree	45	18	18
strongly agree	95	38	56
neutral	15	6	62
disagree	40	16	78
strongly disagree	55	22	100
Total	250	100	

4.9 The scope of programs coverage

The majority of respondents (195 out of 78 percent) agreed on program coverage. In contrast, 50 respondents disagreed with the program coverage, while 5 respondents (2 percent) were neutral, as shown in figure 5.

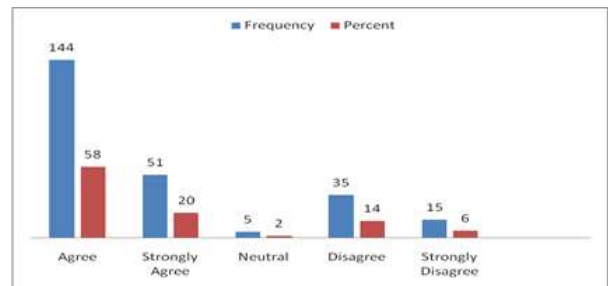


Figure 4: Programs' coverage

5.0 DISCUSSION OF FINDINGS

The study sought to establish the extent of programs being supportive to SMEs in Dodoma City Council. The majority of respondents said that the programs are helpful, but only a few demonstrated that they had been unhelpful to SMEs. This is also proven from the meetings we conducted with respondents. One of the respondents was heard saying that '...sometimes community development officers visit us and collect the views, though no response has been sought to the collected views.....'

Source: Respondent Interview

However, this does not mean that the Dodoma City Council does not support the SMEs.

Furthermore, the study aimed to know whether respondents had financial benefits from existing programs

supporting SMEs in the study area or not. Financial support is one of the approaches in strategy implementation. In this regard, the majority of respondents (74 percent) refused to accept that LGAs provide financial assistance to SMEs. However, apart from other government strategies, it is government policy that LGAs have to provide 5 percent of their internal revenue collection to women and 5 percent of the same to youth. This means the 10 percent internal revenue of LGAs has a low contribution to SMEs' support.

In contrast, when it comes to tax exemption, the majority of respondents (81 percent) are divided on whether they benefit from the exemption from taxes and fees. However, some of the SMEs operate in industries that get favor for non-taxable products like farming and herding, while the majority of the respondents' businesses are not in non-taxable products like finance, shops, transport, communication, building and construction, among others.

Not only that, the study tested whether LGAs' strategies support SMEs through business management training in fulfilling business objectives or not. Among those asked, the overwhelming respondents (66 percent) prove that, in a nutshell, Dodoma City Council provides training to SMEs and those few who attend training are in special groups like widows and religiously benefited members. This was heard from the meeting:

'..... I have never called for the training other than one day when the ward community development officer called us for a seminar. Otherwise, I personally benefited from my church, where I'm a member, where we used to get entrepreneurs' trainings.....'

Source: Respondent Interview

For SMEs to have no training leaves businesses with no means of bookkeeping and fund management. Many people fail to manage their loans properly, which results in bankruptcy. This was supported by respondents in the meeting: According to one of the respondents;

'.....the government's programs are always implemented only when the money is available. We can wait for many years with nothing going on, but when they get money, we see at least seminars and sometimes visit our business, but there was no continuation

Source: Respondent Interview

The question of whether or not LGAs support SMEs in packaging design was met with a majority of negative responses (84 percent). It is not a surprising result due to the fact that Dodoma City Council provides training to SMEs. In a nutshell, that is the reason why SMEs have no assistance with packaging and designing.

Due to our research being done in rural areas of the city and in the city center, the results may have broad implications for group dynamics. When conducting meetings in the rural areas of the city, it seemed the programs were new to them and few benefited, while in the city center, respondents were aware of them and the majority benefited. However, the survey was able to establish that an effort is

being made to connect SMEs with financial institutions, as 56 percent of respondents agreed. However, 44 percent of them are divided on the issue. Some of the respondents seem to benefit from the linkage of SMEs to financial institutions where they manage to get loans and open accounts for the betterment of their money and record keeping. Those with loans perform better than those with no loans. In the meeting, respondents were claiming that some of their colleagues did not manage to service the group loans that ended up meeting complicated conditions when in need of further assistance.

In terms of programs' coverage, the majority of respondents (78 percent) have the view that they are well covered. In contrast, other respondents (22 percent) failed to agree on the program's coverage.

6. CONCLUSION

The study was to assess the effectiveness of the strategies used by Dodoma City Council in developing SMEs. The city was chosen because it has elements of both rural and urban nature. Variables for assessing it were LGAs' approaches to implementing SMEs' strategies, the availability of LGAs' reliable programs for strategy implementation, the coverage of the strategies to SMEs, and the SMEs' holders' awareness of the strategies.

In our study establishing the extent of the programs to support SMEs in Dodoma City Council, it was found that the programs have been supporting SMEs. Furthermore, it was found that there was no direct financial support, though financial support is one of the approaches in strategy implementation. However, apart from other government strategies, it is government policy that LGAs have to provide 5 percent of their internal revenue collection to women and 5 percent of the same to youth. However, the 10 percent internal revenue of LGAs has a low contribution to SMEs' support.

On the other hand, regarding tax exemption, Dodoma City Council does not exempt SMEs from taxes and fees. Nevertheless, some of the SMEs operate in industries that benefit from non-taxable products like farming and herding, while the majority of the respondents' businesses are not in non-taxable products like finance, shops, transport, communication, and construction.

In testing whether LGAs' strategies support SMEs through business management training in fulfilling business objectives or not, it was found that, in a nutshell, Dodoma City Council provides training to SMEs and those few who attend training are in special groups like widows and religiously benefited members. As a result, poor bookkeeping and fund management lead to bankruptcy.

Due to our research being done in both the rural areas of the city and the city center, the results may have group implications. When conducting meetings in the rural areas of the city, it seemed the programs were new to them and few benefited, while in the city center, respondents were aware of them and the majority benefited. However, the survey was able to establish that there is an effort to link the SMEs with financial institutions where some of the respondents seemed to benefit from the linkage to financial institutions in such a

way that they managed to get loans and open accounts for the betterment of their money and record keeping.

The finding will help local government authorities to widen the coverage of SME development programs and train the SMEs on their growth and development programs, something that was perceived to be done by the government though it was left in between the implementation process.

Further research is needed, specifically longitudinal research to assess the growth of SMEs due to strategic implementation by the government.

7. ACKNOWLEDGMENT

We researchers would like to thank the LGTI management and the Local Government Accounting and Finance department for their material support that enabled us to complete this monotonous research job. Next, we would like to thank the Dodoma City Council and the SMEs for their kindness during data collection that enabled us to complete the study on time. Last but not least, our thanks to our LGTI academic staff members and those who indirectly facilitated this research. We remain liable for any material misstatement made by Wakara Ibrahimu Nyabakora, Mligo Mnada, and Eliakundi Samanya in 2021.

8. REFERENCES

- [1]. Small and Medium Enterprise Development Policy, (2002).
- [2]. United Republic of Tanzania. (2012). *National Baseline Survey Report for Micro, Small, and Medium Enterprises in Tanzania*.
- [3]. Madila, S. S., & Msamba, E. (2016). To assess the effectiveness of mobile money application in the development of SMEs. Case study of Moshi urban: *International Journal of Engineering Research and Technology (IJERT)*, 5(1), 774–779. <http://www.ijert.org>
- [4]. National Strategy for Growth and Reduction of Poverty (NSGRP), 1 (2005).
- [5]. Mashenene, R., & Rumanyika, J. (2014). Business constraints and potential growth of small and medium enterprises in Tanzania: A review. *European Journal of Business and Management*, 6(32), 72–80. www.iiste.org
- [6]. OECD. (2004). Promoting entrepreneurship and innovative SMEs in a global economy. <https://doi.org/10.1787/9789264044357-en>
- [7]. Tundui, C. S., & Tundui, H. (2012). Survival, growth strategies and performance of women owned micro and small businesses in Tanzania. *International Journal of Business and Management*, 7(8). <https://doi.org/10.5539/ijbm.v7n8p143>.
- [8]. Kuzilwa, J. A. (2005). The role of credit for small business success: A study of the national entrepreneurship development fund in Tanzania. *The Journal of Entrepreneurship*, 14(2), 131–161. <https://doi.org/10.1177/097135570501400204>
- [9]. Nyamwanza, T. (2013). A case study review of pre-requisites for strategy. *European Journal of Business and Social Sciences*, 2(9), 124–133.
- [10]. World Bank. (2013). *Growing Africa. Unlocking the potential of agribusiness*. <https://doi.org/10.1596/26082>
- [11]. Hamisi, S. (2011). Challenges and opportunities of Tanzanian SMEs in adapting supply chain management. *African Journal of Business Management*, 5(4), 1266–1276. <https://doi.org/10.5897/AJBM10.704>
- [12]. Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP), 107 (2007).
- [13]. OECD. (2003). *Overview of progress and policy challenges in Tanzania*. <https://doi.org/10.1787/9789264101975-3-en>
- [14]. Tambwe, M. A. (2015). The impact of entrepreneurship training on micro and small level enterprises' (MSEs) performance in Tanzania: the case of food vendors in Ilala district Dar Es Salaam. *Business Education Journal* 1(1), 1–18. www.cbe.ac.tz/bejhttp://www.cbe.ac.tz/bejwww.cbe.ac.tz/bej
- [15]. Tobora, O. O. (2014). Challenges faced by entrepreneurs and the performance of small and medium scale (SMEs) in Nigeria: An intellectual capital issue. *International Letters of Social and Humanistic Sciences*, 42(2009), 32–40. <https://doi.org/10.18052/www.scipress.com/ilshs.42.32>
- [16]. Ardic, O. P., Mylenko, N., & Saltane, V. (2011). Small and Medium Enterprises a cross-country analysis with a new data set. The World Bank financial and private sector development consultative group to assist the ppoor. *World Bank Policy Research Working Paper Series*, 5538(January), 1–32. <http://www.cgap.org/financialindicators>
- [17]. Mittelstädt, A., & Cerri, F. (2009). Fostering entrepreneurship for innovation. *OECD directorate for science technology and industry. Science technology and industry working papers*.
- [18]. Sitharam, S., & Hoque, M. (2016). Factors affecting the performance of small and medium enterprises in KwaZulu-Natal, South Africa. *Problems and Perspectives in Management*, 14(2), 277–288.
- [19]. Hisrich, R. D., & Drnovsek, M. (2002). Entrepreneurship and small business research – a European perspective. *Journal of Small Business and Enterprise Development* (Vol. 9, Issue 2). <https://doi.org/10.1108/14626000210427348>
- [20]. Bashir, D., & Ibrahim, Y. (2021). *Factors affecting the growth of Small and Medium Scale Enterprises in Jigawa State of Nigeria*. 8(4).
- [21]. Mazanai, M., & Fatoki, O. (2012). Perceptions of start-up small and medium-sized enterprises (SMEs) on the importance of business development services providers (BDS) on improving access to finance in South Africa. *Journal of Social Sciences*, 30(1), 31–41. <https://doi.org/10.1080/09718923.2012.11892980>
- [22]. Haron, H., Said, S. B., Jayaraman, K., & Ismail, I. (2013). Factors influencing small medium enterprises (SMES) in obtaining loan. *International Journal of*

- Business and Social Science*, 4(15), 182–195.
<https://doi.org/10.1081/QEN-120024004>
- [23]. Vasilescu, L. (2014). Accessing finance for innovative EU SMEs key drivers and challenges. *Economic Review – Journal of Economics and Business*, 12(2), 35–47.
- [24]. Fatoki, O. O., & Chindoga, L. (2011). An investigation into the obstacles to youth entrepreneurship in South Africa. *International Business Research*, 4(2).
<https://doi.org/10.5539/ibr.v4n2p161>
- [25]. De Hoyos-Ruperto, M., Romaguera, J. M., Carlsson, B., & Lyytinen, K. (2013). Networking: A critical success factor for entrepreneurship. *American Journal of Management*, 13(2), 55–72. http://www.na-businesspress.com/AJM/dehoyos_abstract.html
- [26]. Saleem, Q. (2013). Overcoming constraints to SME development in MENA countries and enhancing access to finance. *IFC advisory services in the Middle East and North Africa*, 8.
<http://documents.worldbank.org/curated/en/581841491392213535/pdf/113701-WP-Overcoming-constraints-IFC-Report-PUBLIC.pdf>
- [27]. Emam, A. S., Isfahani, M. A., Hosseini, Khodadad Hamid, S., & Kordnaeij, A. (2016). *Management and Administrative Sciences Review. Management as a key stone of strategy implementation process*. 5(1), 31–37.
www.absronline.org/journals
- [28]. Sonobe, T., & Otsuka, K. (2012). The role of training in fostering cluster-based micro and small enterprises development. *The United Nations University World Institute for Development Economics Research (UNU-WIDER)*. <http://hdl.handle.net/10419/80984>
- [29]. Khanaposhtani, G. F., Moghaddam, S. N., & Shirazi, H. K. (2015). Identification and analysis of the relationships between effective environmental factors in entrepreneurial success via fuzzy dematel method. *International Journal of Review in Life Sciences*, 5(9), 17–24.
- [30]. Isaga, N. (2015). Owner-managers' demographic characteristics and the growth of Tanzanian Small and Medium Enterprises. *International Journal of Business and Management*, 10(5).
<https://doi.org/10.5539/ijbm.v10n5p168>
- [31]. Kothari, S. P., Shu, S., & Wysocki, P. D. (2009). Do managers withhold bad news. *Journal of Accounting Research*, 47(1), 241–276.
<https://doi.org/10.1111/j.1475-679X.2008.00318.x>
- [32]. Baker, M. J. (2001). Selecting a research methodology. *The Marketing Review*, 1(1), 373–397.
www.themarketingreview.com