

Factors that Contribute to Growth and Expansion of Small and Medium Enterprises dealing with non-Traditional Goods during the Economic Reforms in Urban Tanzania: a case study of Catering and Decoration Business in Kinondoni and Ilala Municipalities in Dar es salaam

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This study sought to investigate major factors contributing to growth and expansion small and medium enterprises (SMEs) dealing on-traditional goods namely, catering and decoration businesses serving on special occasions. Hence, their successes and survival during economic reforms period in Urban Tanzania. the study was conducted as a reply to operator's small and medium enterprises dealing with non-traditional goods who complained that there was scanty literature focusing on factors leading to the growth and expansion of non-traditional small and medium enterprises. In retrospect since the mid-1980s , the Government of Tanzania has introduced a series of macro-economic policies such as restructuring of public enterprises, retrenchment of civil servants and financial and trade liberalization, some of which have serious implications on the growth of SMEs, and in particular non-traditional businesses. The study focused on non-traditional businesses namely catering and decoration businesses serving on special occasions based on three factors; their contribution to the Gross national product, employment creation, and generation of income to local entrepreneurs involved in these types of businesses and their employees. Both secondary and primary sources of data collection methods were used in collecting qualitative data for the study. Primary sources included interviews and distribution of questionnaires to respondents from Kinondoni and Ilala Municipalities who own catering or decoration business serving on special occasions. The study revealed that five major factors contributing to the growth and expansion of catering and decoration businesses were: creativity element of owners of these types of businesses and their employee, the ability of entrepreneurs to have social linkage with influential people in the society, effective advertisement strategies of businesses, effective customer care, and the necessity of entrepreneurs to have their personal transport. The study recommended that the Government should put mechanisms in place such as reducing taxes, simplifying business registration, and

licensing procedures for supporting entrepreneurs involved with catering and decoration businesses.