

**POVERTY REDUCTION TO FOOD VENDORS THROUGH
MICROFINANCE INSTITUTIONS IN DAR ES SALAAM,
TANZANIA**

**By
Emiliana M. Mallya**

**A Thesis/Dissertation Submitted in Partial Fulfillment of the Requirements for
Award of the Master degree of Science in Accounting and Finance (Msc. A & F)
of Mzumbe University**

2013

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University a dissertation entitled “**poverty reduction to food vendors through microfinance institutions in Dar es Salaam, Tanzania**” in partial fulfillment of the requirements for award of degree of Masters of Science in Accounting and Finance of Mzumbe University.

.....

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.....

Internal Examiner

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DEDICATION

This dissertation is dedicated to my beloved husband, Aubrey Amon, my daughter Careen, my son Collin, for their patience, contribution and support throughout the study period. I love them very much.

LIST OF ABBREVIATIONS AND ACRONYMS

FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
ILO	International Labour Organization
MFI	Micro Financial Institutions
MGDs	Millennium Development Goals
SEWA	Self Employed Woman Association
SME	Small and Medium Enterprises
UN	United Nations
UNIDO	United Nations Industrial Development Organization
URT	United Republic of Tanzania
WHO	World Health Organization

ABSTRACT

This study determines the contribution of MFIs loans on the poverty reduction among food vendors in Tanzania. Data was collected through interview and questionnaires from randomly selected sample. Documentary sources and observation were also employed. A cross-sectional approach was the method used. Data was processed based on qualitative analysis technique, supported by quantitative analysis techniques and presented in the form of tables, bar graphs, clustered diagrams and percentage pie graphs.

Findings from this study revealed that street food vendors commence business depending on their personal savings as justified by 55% of cumulative percentage of the respondents. However, majority of respondents indicated that they have applied for loans (97.5%) but due to higher cost attributed with serving loans performances have been decreased. Additionally study findings show that bad performances was also due to little investment in this sector this was substantiated with 10% of the respondents who indicated that revenue generated from vending activities was used to purchase more food stuffs whilst other revenues were used to meet family costs of living. Finally survey statistics revealed that underperformance was also attributed by lack of designated market places or business premises and lack of strong street food vendors associations as justified by 80% of the street food respondents.

The study, therefore, concluded that food vending activities are vital weapon for fighting against poverty not only in study area but also other parts of the country. It was then recommended that both government and other stakeholders should promote sustainability of food vending activities through provision of adequate credit, business training, permanent premises/market establishment and formation of strong street food vending associations.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION AND COPYRIGHT	ii
ACKNOWLEDGEMENT	iii
DEDICATION	iv
LIST OF ABBREVIATIONS AND ACRONYMS	v
ABSTRACT	vi
TABLE OF CONTENT	vii
LIST OF TABLES	xi
LIST OF FIGURES	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background to the study.....	1
1.2 Statement of the problem	2
1.3 Research Questions	3
1.3.1 General Research Question	3
1.3.2 Specific Research Question.....	3
1.4 Objectives of the Study	3
1.4.1 General Objective.....	3
1.4.2 Specific Objectives.....	4
1.5 Scope and limitation of the study.....	4
1.6 Significance of the study	4
CHAPTER TWO	6
LITERATURE REVIEW	6
2.1 Meaning of concepts and definition of key terms.....	6
2.1.1 Meaning of startup capital.....	6
2.1.2 Meaning of adequate loans.....	6
2.1.3 Future expansion	6
2.1.4 Definition of street foods	7
2.1.5 Definition of Street food vendors.....	7

2.1.6 Types of business ownership	8
2.1.7 Microfinance Institutions (MFIs).....	9
2.1.8Poverty Eradication in Tanzania	10
2.2 Theoretical literature review	10
2.2.1 Street vending and Local Authorities.....	10
2.2.2 Operations of street food vendors in the Global economy.....	11
2.2.2.1 Sales Revenue of street food vendors	11
2.2.2.2 Contribution of street food vendors to national income	12
2.2.3 Global Statistics of street food vendors	13
2.3.4 Operation of street food vendors in the Tanzania.....	15
2.3.5 The role of street food vendors in Tanzania.....	16
2.2.6 Characteristics of Street food Traders.....	17
2.2.7 Types of food vendors.....	21
2.2.8 The merits of MFIs to food vendors in Tanzania.....	21
2.3 Empirical literature review.....	22
2.4 Conceptual framework and research model	26
CHAPTER THREE	28
RESEARCH METHODOLOGY	28
3.0 Introduction	28
3.1 Research design.....	28
3.2 Area of the study	28
3.3 Population of the study	29
3.4 Sample size.....	29
3.5 Sampling technique.....	30
3.6 Types and sources of data	30
3.6.1 Primary Data.	30
3.6.2 Secondary Data.	31
3.7 Data collection methods.....	31
3.7.1 Questionnaires.....	31
3.7.2 Observation	32
3.7.3 Interview	32

3.8 Problems encountered during data collection	32
3.9 Ethical issues	33
3.10 Data processing;	33
3.11 Data analysis	33
CHAPTER FOUR	35
DATA PRESENTATION, ANALYSIS, INTERPRETATION AND	
DISCUSSION OF FINDINGS	35
4.1 Demographic Characteristics of Respondents	35
4.1.1 Response rate	35
4.1.2 Gender of the respondents.....	35
4.1.3 Age of the respondents.....	36
4.1.4 Marital status of the respondents.....	37
4.1.5 Educational level of the respondents.....	38
4.2 Startup Capital for Street Food Vendors in n Tanzania	40
4.2.1 Sources of starting capital	40
4.2.2 Loan providers to street food vendors.....	40
4.2.3 Years in operations.....	41
4.3 Loan Accessibility to Street Food Vendors	42
4.3.1 Capital Invested in the Business by Street Food Vendors	43
4.3.2 Common type of food sold by street food vendors	43
4.3.3 Rationale behind food type	44
4.3.4 Borrowing options.....	46
4.3.5 Years of existence depending on MFIs loans	46
4.3.6 Revenue generated	47
4.3.7 Revenue generated and how it is used	48
4.3.8 Borrowing obstacles faced by street food vendors	49
4.9 Table obstacles of accessing loans from MFIs.	50
4.3.9 Borrowing obstacles imposed by MFIs	50
4.3.10 Interest rate on borrowing	52
4.4 Management of Street Food Vending Business	53
4.4.1 Forming membership of street food vendors in food Associations	53

4.4.2 Training sessions	54
4.4.3 Contribution of MFIs training to the growth of street food vendors sector	56
4.5 Chapter summary	57
CHAPTER FIVE	58
FINDINGS, CONCLUSION AND RECOMMENDATIONS	58
Introduction	58
5.1 Main findings and conclusions	58
5.2 Recommendations	59
5.2.1 Formation of food associations	59
5.2.2 Adequate capacity building in terms training	59
5.2.3 Designated permanent business premises/markets	60
5.2.4 Provision of adequate credit from MFIs	60
REFERENCES.....	61
APPENDEX.....	65
Appendix i.....	67
Appendix ii.....	70

LIST OF TABLES

Table 3.1 Sample size distribution	30
Table 4.1 Educational level.....	39
Table 4.2 Showing sources of street food vendor’s startup capital.....	40
Table 4.3 Distribution of years in operations.....	42
Table 4.4 Capital outlay in the business.....	43
Table 4.5 Rationale behind food type	45
Table 4.6 Ever applied loans from MFIs	46
Table 4.7 Years of depending on MFIs loans	47
Table 4.8 Revenue generated by the food vendors	48
Table 4.10 Difficultness on borrowing from financial institutions.....	51
Table 4.11 Borrowing rates charged by MFIs	52
Table 4.12 showing training conducted by MFIs	55

LIST OF FIGURES

Figure 2.1 Conceptual framework.....	27
Figure 4.1 Gender of the respondents	36
Figure 4.2 Age of the respondents	37
Figure 4.3 Clustered pyramid showing marital status of the respondents	38
Figure 4.4 Bar graph showing education level of the respondents	39
Figure 4.5 Showing loan providers to street food vendors.	41
Figure 4.6 a bar graph showing number of years street food vendors has being in operations	42
Figure 4.7 showing graphical presentation of types of food sold by street food vendors in Tanzania	44
Figure 4.8 a pie diagram showing rationale behind food type.....	45
Figure 4.9 showing uses of revenue generated	49
Figure 4.10 showing whether street food vendors face obstacles in accessing loans from MFIs	50
Figure 4.11 a bar graph showing difficultness on borrowing from financial institutions.....	51
Figure 4.12 showing borrowing rates imposed by MFIs on street food vendors loans ...	53
Figure 4.13 showing street food vendors associations.....	54
Figure 4.14 a bar graph showing trainings conducted by MFIs.....	55
Figure 4.15 Contribution of training to the performance of food vendors.....	56

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Street food vending is a rapidly growing sector and a source of employment in most developing countries like Tanzania. This is due to many factors that have been outlined in this dissertation and literature review that I found. Availability of many MFI that offer variety types of SMEs loan lead to the increasing number of borrowers in Tanzania.

Currently, there is notable escalating dilemma on poverty that has been witnessed in range of least developed countries of which Tanzania is among the countries facing such problems; that is why the matter seems to be of paramount exigency as were addressed in MDGs, in line with that the world is constantly experiencing fierce turbulence of fighting poverty by injecting resources in terms of human and other forms of Capital (IFAD, 2003). Micro- financing has been viewed as effective way of dealing with the issues which need to be researched for ensuring aggressive way of combating poverty to ensure potential positive impact on the long-term growth of the economy to the community. Vending is seen to be an architectural way on reducing poverty which is more supported by micro financing (Bobodu E. D, 2010).

Undoubtedly; vending is the very significant promising vehicles in curbing the poverty in the micro economy level which thereafter contributing to the GDP at the macro level Ahmed Taneem Muzaffar's (2009). This research has mostly investigated on the vending business venture that was narrowed down to street vending mostly focus on food predominately street food trade which is a growing sector in many developing countries today. Moreover the study intended to explore the Micro Finance Institutions.

In light of the above argument, it is undeniable fact that economic dynamism epitomizes micro – financing; thus there is significant contribution of Vendors to

development (Tanzania SME policy 2002). Apparently, individual entrepreneurs and micro-enterprises benefit from micro - financing program which are from internal and external, since the street food vendors are grouped in the beneficiaries of the microfinance opportunities and incentives from financiers.

In Tanzania Micro Financial Institutions play vital role in providing financial supports to business ventures, however the vendors have experienced cumbersome bureaucratic process imposed by MFIs in accessing the loan or financial support. The impact associated with vending activities include increase in employment opportunities, increased government revenues, transfer of technology, capital formation, and organization skills, and advanced state-of- the art technologies.

While most well disciplined Nations are striving with positive progressive economies which are abundantly contributed by vendors which have been grown to multinational traders; developing countries are running with minimal performance. The stealthy negative situation tends to bring them low level of social benefits, thus there is a need to develop a solution to the problems which are strengthening on improvement of microfinance Governance.

1.2 Statement of the problem

Street food enterprises account for significant contribution to micro economy arisen from profitability of micro enterprises as delineated by Otoo et al, 2010. However, there range of challenges faced by street vendors on accessing resources for enhancing capacity of gaining competitive advantage, such as lack of access to financial capital, physical, equipment and human (Cohen, 2000 Esim, 2001, Ibro et al, 206 Richardson, 2004). In confronting aforesaid challenges, the introduction of MFIs facilitates improvement from difficulties.

Previous study pursued by Chijoriga and Cassimon (1999) revealed that, there cumbersome red tape and bureaucratic procedures set to be granted a loan. Furthermore the studies show that Asymmetric information between borrower and

lender is very high this leads to MFIs imposing aggressive rules and guidelines to borrowers.

The study seeks to determine the level of contribution of MFIs to street food vendors sector in Tanzania. There is neither studies conducted previously that focused on benefit of MFI loans to food Vendors nor studies which showed how MFI loan contributed to the growth of food vendors in Tanzania, moreover how bureaucratic process on accessing loan hinder the growth of food vendors.

1.3 Research Questions

1.3.1 General Research Question

The study was guided by a question: What is the contribution of MFIs loans on the poverty reduction among food vendors in Tanzania?

1.3.2 Specific Research Question

The specific questions of the study were:

- 1) What are the sources of startup capital to street food vendor's in Tanzania?
- 2) Do street food vendors in Tanzania receive adequate loans from MFIs?
- 3) How do food vendors manage their business?

1.4 Objectives of the Study

1.4.1 General Objective

The general objective of the study was to determine the contribution of MFIs loans on the poverty reduction among food vendors in Tanzania.

1.4.2 Specific Objectives

The study focused on the following specific objectives

- To determine the sources of startup capital for street food vendors in Tanzania
- To establish if selected street food vendors in Tanzania access adequate loans from MFIs.
- To determine the extent to which street food vendors manage their business.

1.5 Scope and limitation of the study

To cover all food vendors in Tanzania was quite impossible because of scarcity of time frame and amounts of fund to undertake this study. For this genuine reason the study focused only on selected food vendors located at Dar es Salaam city. The choice of Dar es Salaam is due to the fact that the city is well distributed with all types of food vendors (i.e. mobile food vendors, push cart etc) and high concentration of Microfinance Institutions (MFIs). Due to good distribution of MFIs and food vendors in Dar es Salaam researcher obtain data specifically for this study.

1.6 Significance of the study

Five main reasons are highlighted in support of the research study, these include;-

- i. The research study contributes to the existing body of knowledge on the impact of microfinance loans on the growth of food vendors in Tanzania.
- ii. The research findings is of beneficial to MFIs, policy makers, food vendors, investors and any interested parties to assess the performance of the sector.
- iii. This study is part of the academic requirements so as to be awarded master degree of Science in Accounting and Finance of Mzumbe University.
- iv. This research study is aimed to be used by other institutions and sectors like higher learning institutions, universities and financial institutions as literature review and references.

- v. Furthermore, the research findings is also aimed at providing information for future investigations into this sector as well as proposing recommendations that will help reduce the challenges that the sector is faced with in order to enhance the growth of their businesses.

CHAPTER TWO

LITERATURE REVIEW

2.1 Meaning of concepts and definition of key terms

2.1.1 Meaning of startup capital

Capital may be defined as the wealth in the form of money or assets, taken as a sign of the financial strength of an individual, organization, or nation, and assumed to be available for development or investment. According to accountants capital is money invested in a business to generate income. Economists defines capital as the factors of production that are used to create goods or services and are not themselves in the process

Startup capital refers to the money that is required to start a new business, whether for office space, permits, licenses, inventory, product development and manufacturing, marketing or any other expense. Start-up capital is also referred to as seed money.

2.1.2 Meaning of adequate loans

An arrangement in which a lender gives enough money or property to a borrower and the borrower agrees to return the property or repay the money, usually along with interest, at some future point(s) in time. Usually, there is a predetermined time for repaying a loan, and generally the lender has to bear the risk that the borrower may not repay a loan though modern capital markets have developed many ways of managing this risk.

2.1.3 Future expansion

Is a business strategy in which growth is obtained by increasing the number of stores in which customers can buy a company's products and services. Unlike relocation, business expansion entails opening up new stores in different physical locations while still maintaining the current business locations.

2.1.4 Definition of street foods

According to Irene Tinker, street food is basically defined as “any minimally processed food sold on the street for immediate consumption”. Another definition proposed by the Food and Agriculture Association (FAO), states that street foods are “ready-to-eat foods and beverages prepared and or sold by vendors and hawkers especially in the street and other public places”.

In another research study entitled “The role of street food vendors/Handlers in preventing food borne diseases”, street foods are “ready-to-eat foods and beverages prepared and or sold by vendors and hawkers, especially in streets and other similar places for immediate consumption or consumption at a later stage without further processing or preparation.” In another study entitled “Global Conformity or cultural diversity”, the writer outlines the difference between food joints and street food vendors in terms of the type of ownership, different kinds of foods sold and marketing techniques used in operation.

According to the FAO Regional Workshop on Street Foods in Asia, held in Jogjakarta, Indonesia in 1986, street foods are described as “a wide range of ready-to-eat foods and beverages sold and sometimes prepared in public places notably streets”.

2.1.5 Definition of Street food vendors

The National Policy on Urban Street Vendors (2009) states that, street vendors can be grouped into three main categories. They are stationary, peripatetic and mobile. The Stationary vendors are those who carry out their activities on a regular basis at a specific location. The Peripatetic vendors on the other hand are those who carry out their vending on foot and sell their goods and services. In the situation of the Mobile vendors, they vend by moving their goods or services from one place to the other whether motorized or not. For the purpose of this study, the stationary category of street vending supports the type of street vendors under study. Therefore, Peripatetic and Mobile vendors will be excluded.

2.1.6 Types of business ownership

The type of business ownership is defined differently by different countries all over the world. Whilst a large number of people classify them by their wealth in terms of assets others differentiate them in terms of size, operations amongst others. Borrowing from the economic perspectives 2004, the government of the United States of America defined micro enterprise as a firm constituting 10 or less employees which included unpaid family workers that is owned and operated by the impoverished in the society.

In a similar study conducted by Kayanule and Quartey (Kayanula, 2000), the European Union described small and medium Enterprises (SME) as:

- i. Firms with 0-9 employees are considered to be micro enterprises.
- ii. Firms with 10-99 employees fall under the small scale enterprises.
- iii. Firms with 100-499 employees are categorized under medium enterprises.

From the information provided, the SME sector employs less than 500 workers excluding the forestry, agriculture, fishing and hunting activities. On the contrary, the United Nations Industrial Development Organization defines micro enterprises in developing countries as firms with less than five workers.

The Ministry of Industry and Trade is responsible for classifying businesses in Tanzania. Below shows how the Ministry categorizes the types of business ownerships (micro, small scale, medium or large scale enterprises).

Small Scale- This employs up to 49 workers including micro-enterprise which is 1-4 workers. The value of fixed assets under this business enterprise is greater than Tshs.200Millions.

Medium Scale- This enterprise employs 50-99 workers and the worth of their fixed asset is valued at Tshs.8000Millions.

Large Scale- The enterprise employs 100 or more workers with a value of fixed assets amounting to more than Tshs.100000Millions.

To make this research realistic, the definition adopted for micro enterprise is the one proposed by the Ministry of Trade and Industry, since the areas under which the research is conducted pertains to Tanzania. Hence, it is more appropriate to use that definition given the fact that the street food vendors operates in this category (micro enterprise).

2.1.7 Microfinance Institutions (MFIs)

Micro finance is recognized as an effective tool to fight poverty by providing financial services to those who do not have access to or are neglected by the commercial banks and financial institutions. Financial services provided by Micro Finance Institutions (MFIs) generally includes but not limited to savings and credit. Micro finance does not only cover financial services but also non-financial assistance such as training and business advice.

The main features of Micro Finance Institutions which differentiate it with other commercial institutions are, it is (1) a substitute for informal credit; (2) generally requires no collateral; (3) have simple procedures and less documentation; (4) mostly group lending; (5) easy and flexible repayment schemes; (6) financial assistance of members of group in case of emergency; (7) the most deprived segments of population are efficiently targeted, and last but not least is (8) groups interaction with each other's. The principal providers of financial services to the poor and low income households in the rural and urban areas of Tanzania consist of licensed commercial banks, regional and unit rural banks; savings and credit cooperative societies and several NGOs whose micro-credit delivery operations are funded and supported with technical assistance by international donors.

2.1.8 Poverty Eradication in Tanzania

Tanzania just like any other developing countries has been struggling to reduce and if possible to eradicate poverty in the country. One of the interventions has been the introduction and implementation of social economic policies which address the issue of poverty both at national and individual levels. This involves State intervention in education and other social services, and the creation of an enabling environment for private sector investment in productive sectors.

Tanzania has joined other nations in the commitment to eradicate poverty by developing various plans for poverty reduction which outlined in the *Tanzania Development Vision 2025, the National Poverty Eradication Strategy, Poverty Reduction Strategy Paper (20000) and the National Strategy for Growth and Reduction of Poverty (2005)*. All these stress the importance of equitable, sustainable economic growth and improvement of people's welfare.

The Government of Tanzania recognizes the role of the private sector in poverty reduction. The private sector has a role of creating employment opportunity by increasing investments. Also, private sector investment in social services will create effective and efficient environment for poverty reduction.

2.2 Theoretical literature review

2.2.1 Street vending and Local Authorities

The greatest challenge facing Tanzanian street food vendors is with regard to site of operation and right to trading space. Traders settle in streets spontaneously without any official allocation. Most of the spaces the traders occupy have no tenure, and are not allocated and sanctioned by urban authorities, hence they are considered illegal. Street food vendors are seen to occupy public spaces, and disturb order in public spaces and hygienic safety. In most cases street food vendors jostle for sites close to transport and commuter nodes. The response of city authorities may range from outright prohibition of street food vending to regulated and negotiated use (Bhowmik, 2005).

Harassment, confiscation of goods, imposition of fines, physical assault and time spent in court are some of the problems street food vendors face in the process of their operations. In cases where they are allowed to operate, the spaces are considered temporary and eviction occurs at the will of urban authorities. In spite of the important role of street food vendors in an urban economy, they are viewed as a problem for urban governance (Cross, 2000). Rupkamdee et al (2005) reported that policy makers blame street vendors for dirty state of the city, pedestrian and traffic obstruction in the streets. In several cases (most notably, Lima, Mexico City, Caracas, and Bogota), the proliferation of street vending created intolerable conditions of pedestrian congestion, trash accumulation, noise, and other problems in the mid-1990s (Roever, 2006).

Drakakis–Smith (1987) points out that informal sectors activities whether street traders or informal builders had long been anathema to western planners and advisors to city administrators for instance, in Cali, Columbia, the urban authorities consider hawkers to be a nuisance making the city look untidy and ugly by their presence, causing traffic congestion, dropping litter, molesting passer-bys , depriving law abiding and paying shops of trade and spreading diseases by physical contact and the sale of contaminated or rotting food (Roever, 2006). Similar negative attitudes were prevalent in the mindset of officials in many parts of developing countries in Africa including Tanzania.

2.2.2 Operations of street food vendors in the Global economy

2.2.2.1 Sales Revenue of street food vendors

According to Ahmed Taneem Muzaffar's (2009) in his work, he sought to study the factors that affect the sales revenue of street food vendors. Muzaffar observed that through regression analysis, business experience and start-up capital is found to be two factors that positively affect the sales revenue of the sector. He advances by stating that street food businesses play very important roles in the economy of developing countries by making rigorous contribution to the economic planning and development of many towns. However, the contribution of this sector is commonly

ignored and neglected since it is considered as been an informal sector. He further explores that in the Indonesian city of Bogor, annual sales of street foods amount to US\$67 million. To confirm this, he states that by conservative estimate “If one computes the average daily sales of the 100,000 stalls in Malaysia, annual street food sales amount to US\$2.2 billion”. This is a relatively significant figure considering that most of the earnings are generated locally and thereby promote economic self-sufficiency.

Winarno and Allan reemphasize on Kwankye, Nyarko and Tagoe’s assertion that the rise in the number of street food vendors are mostly attributed to urban population growth in many cities in the world. This article contends that owing to increasing migration to the urban area, there has been a high demand among many workers to eat outside their respective homes. In parts of Europe and North America, street foods from the Asian, Latin American and African economy have become an essential part of the local food scene. The authors propound that street food’s marketing success greatly depends on location and word of mouth promotion. Street food business is mostly owned and managed by individuals or families, but offers an overall benefit extending throughout the local economy. To elaborate on this view, the sector is identified to be highly patronized and mostly carry out their advertisement through word of mouth and so do not incur much cost in their operation. This allows the sector to generate enough revenue to cater for their families. The operations of the street food vendors are mostly families or sole individuals. Therefore there is a high tendency of the vendor to move into more appropriate structures to make it more attractive to their respective customers.

2.2.2.2 Contribution of street food vendors to national income

Street food enterprises fall under the informal sector and usually have small, simple skilled, low capital requirements and basic facilities. Hence, Castells and Portes observed in Wenona Giles and Valerie Preston’s research that in formalization led to work activities or economic transactions, paid or unpaid, that occur outside of the conventional market economy that are not audited, regulated, counted, or mentioned by any official agency in the society. Despite these lapses the street food enterprises have the potential for generating income and employment. For instance Bogor, with

a population of 250,000, has 18,000 street food enterprises, nearly one for every 14 people. Roughly 26 percent of workers active in the informal sector in Bogor are directly employed as street food vendors as indicated by Chapman, 1984 in the article. Similarly, the International Labour Organization (ILO) has found that street vendors comprise 29 percent of the active urban labour force in Central America.

The writer propounds that most street food sellers engage in this activity because of the perception that they will be able to generate high incomes as well as the relative small amount of capital involved. This is made evident in East African countries where the average earnings of a vendor are considered three to ten times more than the preset minimum wage of skilled workers employed in the formal sector. Another is in Malaysia where net incomes vary, from US\$ 4 to US\$ 36 with an average of \$16 per day is derived from daily sales ranging in value from US\$ 10 to US\$ 120.

They advance here that the vendors also face problems with the local official and disguised people who come to extort “protection money” from them. Again, F.G. Winarno and A. Allain established that urban households in Africa and Asia spend 15% to 50% of their food budgets on street foods. They also bring to light the fact that the low income workers would have been worse off without the existence of street food vendors. This argument places much emphasis on the fact that the street food vendors play very vital roles in the lives of the low income workers.

As pointed out in a Bulletin of the World Health Organization (WHO) (2002), the patronage of street food is familiar in many countries where unemployment level is high, salaries are low, work opportunities and social programmes are limited, and where urbanization is taking place. It is further stated that the street food vendors benefit from a positive cash flow, often evade taxation, as well as determine their own working hours.

2.2.3 Global Statistics of street food vendors

In an article published by WIEGO, the rate at which street vending activities increases is examined. It is stated that the world’s largest growing sector of the

informal sector is street vending. These vending activities mostly take place on the city streets, sidewalks and other public spaces. Even though street vendors are a lot in the world, majority of them do not have license to commerce operation and most of the labor hired by this sector is mostly family based which is usually not paid for.

According to WIEGO, the fortunate street vendors sell from the comfort of covered stalls while the unfortunate ones on the contrary, squat on the ground beside a basket or blanket displaying their merchandise. The vendors provide affordable goods to the poor people who cannot afford to buy from the retail stores in the developing countries. More so, it is difficult to give statistics on the number of street vendors due to the failure of the majority of sellers not having operating license.

To elaborate more on this point, the study reported that due to high mobility and the seasonal variation in the nature of the work they are engaged in, it is usually difficult to estimate the number of people employed as street vendors. It is mentioned in the article that Brazil and Mexico has estimated street vendors to be one million each whilst in India the estimation is more than three million. A recent research conducted beyond official labour force statistics states that India has approximately ten million street vendors. In addition to this point, another study identifies that out of nine African and Asian countries street vending represented 73% to 99% of the total trade employment with a subsequent of 50% to 90% of the total GDP from trade.

According to Guillaume Iyenda, many of the street food vendors choose to locate their wares at specific sites on the street due to various reasons mentioned. Amongst these reasons were due to easy access to the area, the provision of services, the reliability and number of customers as well as the ability to reach a variety of customers, both rich and poor walking on the street or passing by in cars. A large number of the street food vendors also prefer to locate themselves at the intersection of major roads. This is done to gain access to the mix of commercial, residential and businesses as well as the high volumes of both pedestrians and vehicular traffic at all hours.

With the importance attached to the street trading activities, some countries thought it wise to form associations and co-operate unions to aid their operation. Amongst these union includes the Self Employed Women Association (SEWA), which is considered the largest trade union of the informal sector. The disadvantage however is that the union seeks to concentrate only on women (Goal 4: Promoting voice). According to Bagshaw S. (2006), the United Nations Industrial Development Organization (UNIDO) was established and collaborates with three other national UN volunteers to work to provide training in entrepreneurship skills, helping improve product quality and aid in accessing appropriate technology and funds to expand their businesses. Even with such associations the sector's operation is still dormant.

2.3.4 Operation of street food vendors in the Tanzania

Stephen O. Kwankye, Philomena E. Nyarko & Cynthia A. Tagoe argue that the majority of street vending activities in the Tanzanian economy are caused by rural-urban migration and poverty. They explain that due to a lack of education and skills, street vendors are not equipped for formal sector employment. Hence, vendors are presented with no other choice for making a living than engaging in street selling. The authors observe that the street vending sector is fast growing and claim that if developed, would be a potential labour force to increase national income. Unfortunately, street vendors are often overlooked because they have no recognized addresses and so seen as more of a liability than an asset.

Kwankye, Nyarko and Tagoe accentuate that many of the job creation promised, by the government are set up by street vendors. Therefore, the more jobs the government claims to have created, the more widespread street vending in the Tanzanian economy. The article explores that some economies have laws regulating the activities of street hawkers in that some are presented with license before they start operations. On the contrary, Tanzania has no such licensing policies as a result most individuals become street hawkers within a short period of time; hence the emergence of many street vendors in the Tanzanian economy.

The argument raised is strongly true because even though the sector has become very attractive to the majority of individuals who are involved, they tend not to develop from the micro level to either medium or small scale enterprises. This is due to the fact that individuals, government and businesses fail to recognize the sector as a revenue generating industry which will contribute grossly to the economy of Tanzania. In the authors' arguments, it is observed that given the income levels generated by the sector they should have been able to move their wares to a more comfortable structure either than operating in those weak structures they are found in. Also, because the sector has no law regulations supporting its operations, they do not have government bodies to help them expand their businesses.

2.3.5 The role of street food vendors in Tanzania

The Tanzania SME policy (2002) dictates that one of the rapidly growing industries in the economy of Tanzania is street food vending. In view of this, the urban areas such as Dar es Salaam in Tanzania have a widespread presence of street food vendors serving majority of the general public in the urban areas. Notwithstanding the unhygienic standards of street food vendors in Tanzania, this sector is mentioned to provide customers with tasty foods and colorful beverages at cheaper prices. Again, this sector is emphasized to create employment opportunities to the majority of people as well as providing nutritious, affordable and ready-to-eat food to millions of Tanzanian workers both males and females.

Before independence of Tanzania (1961), Dar es Salaam and other areas had less population size with a minimum frequency of street food vending activities. This time it was created culture whereby general public were highly depending on home prepared meals by the family. However, after attaining independence there was a drastic shift from these highly patronized family meals to street foods due to industrial development. Aside the employment opportunities provided by the sector to the Tanzanian economy, there has been a rampant spread of street food vending on the street of Dar es Salaam to be precise. Street food vendors can be located around markets, schools, construction sites, beaches, lorry stations, commercial centres, offices, factories and basically along almost every street of Dar es Salaam.

According to the study carried out by Lund, Nichoson, and Skinner (2000) shows that street traders are considered to be permanent players who make vital contribution in their respective economies. They are mostly referred to as entrepreneurs possessing important trading skills and are able to analyze key economic issues in their environment. It is worth noting that their economic activities also create employment for the majority of people.

2.2.6 Characteristics of Street food Traders

Street food trade in Africa is an activity for women, men and children. However, women dominate the trade. Most vendors are aged between 20 and 50 years, with few traders falling below 20 years and above 50 years. Children as young as ten years of age have been found vending along streets and roadside. Some of these children assist their parents and relatives, whereas in some cases they are entrepreneurs in their own right. In Tanzania, child labour is estimated at 28 per cent. Dar es Salaam and other urban centers where street trade is active account for 12 per cent of child labour.

A study conducted in Mwanza revealed that most street food traders were young women aged below 40 years. Most of them had no professional training and had less than 10 years of working experience. They were business owners, and mostly walked to their vending sites. Most street vendors cannot afford the cost of transport, and therefore live within walking distance of their operation sites or operate near their residential areas.

Majority of those engaged in the activity are married and have comparatively low levels of education. The Mwanza study notes that majority of street traders were illiterate or semi literate, while studies from Tanzania, Uganda and Kenya notes that majority of street vendors have formal primary education. The South African case points out that most street vendors can read in their mother tongue, while more male traders can communicate in English which enables them to do better in business.

The level of education of people engaged in informal economic activities has been improving over the years. Research conducted in Kenya in 1998 [Graham et al 1998] on street trade showed a great improvement compared to a study conducted in 1990 [Mitullah 1990]. A further study conducted in 2000 also confirms the improved level of education. In the study, majority [91%] of respondents had formal education. Those with primary education accounted for 56.1 per cent, while those with secondary education were 33.6 per cent and 1 person with university degree [Alila and Mitullah 2000].

People engaged in vending are bread winners taking care of large families that include dependants. The South African study revealed that 75 per cent of street traders were sole bread winners, while a further 33 per cent had other bread earners supplementing their efforts. Most of these traders are self employed with few working as assistants. This is contrary to the general belief that most street traders are “poorly paid” hirelings of big business. This study further observes that street trade has created jobs in transport, security, and stall assistants [the barrow and trolley boys, taxi drivers and bambellas].

Those dealing with street vendors are often concerned about whether street traders are doing their own businesses or are hired by others. In Kenya, the new breed of street vendors who sale expensive electrical equipment and leather products has often attracted attention. Most of these new breed of vendors are agents of formal firms and sell on commission. Charmes argues that street vendors might not be as independent as they appear. They may purchase or hire the goods they sell from the same supplier, they may be given goods by the supplier who pays more or less the equivalent of salary [Charmes, 2010]. However, all street vendors are informal workers and are exposed to similar problems.

Most of them had been driven into the streets due to landlessness, retrenchment and poverty. Across Africa, street vendors have indicated several reasons that have driven them into the streets: lack of space in the markets, lack of school fees, search for economic opportunity and income, strategic nature of street vending, family

influence in form of supporting family member, entrepreneurship, lack of finance for larger business, evading taxation, orphan-hood, widowhood, low level of education and poverty.

Trading life in the street is quite difficult. It begins as early as 4.30 am and ends as late at mid night depending on the country and city. A recent survey of 7,500 informal traders in Johannesburg, indicate that traders work on average between 8 to 11 hours a day, but in certain areas like Kariakoo township the hours are much longer.

In Tanzania, street vendors begin work as early as 5.30 am but trade until around 9.00 pm. Those trading late are located in areas with concentration of people such as transport nodes, bus parks/stops, clubs and other night spots. In Tanzania, where street food has become popular due to the need for women to save time in food preparation, street vendors operate from all strategic locations at all hours of the day and night. They serve customers with spicy foods and beverages at reasonable and affordable prices [Johnson and Yawson, 2000].

Locations of vending also vary across countries and cities. They include: streets, parks, pavements within shopping centers, around public facilities such as religious institutions, schools, and clubs and at prominent corners of streets and roads where the vendors are visible to pedestrians and motorists. The Johannesburg City Council 2003 by-laws prohibits street vendors from blocking pavements or obstructing traffic; selling goods in public places such as parks, government and council buildings, churches, monuments, operating on sections of public roads that are close to residential buildings, using storm-water drains or manholes to dump rubbish, defacing or damaging public roads and public or private property, making fire in public place, sleeping in a place where street trading takes place or erecting structures for shelter [Tendai, 2003]

The expansion of the informal labour force which operates outside an enterprise's premises has enlarged the concept of street vendors to include the category of street workers, including among others: tailors specialized in mending, carrying their

sewing machines on their heads, hairdressers carrying their stools, cycles and motor repairers [Charmes 2010].

A large percentage of street vendors do not access their trading sites formally, although few of these vending sites are formally allocated to vendors by relevant authorities. The study conducted in Tanzania, notes that majority of street traders apply to Mwanza City Council, while a few others use friends, or take up sites left as other traders shift to other sites or quit street trade. However, traders have no control over the trading sites, and often are removed at the will of the Local Authority officials.

Street traders use different methods and structures for displaying their commodities. The methods include: piling commodities, for examples fruits, onions and tomatoes, loose vegetables; and using measuring equipment such as tins, spoons, and baskets among others. The structures used for displaying commodities include tables, racks, wheel burrows, handcarts, and bicycle seats. Others traders display their goods on the ground, over mats or gunny bags, while others simply carry their commodities on their hands and shoulders. There are also those that hang their goods such as clothes on walls, trees, fences and an advanced group that construct temporary shades with stands for displaying their commodities [Mitullah, 2003].

Commodities of trade are many and vary across countries and cities. The most common commodities include fruits and vegetables, cereals, fish and meat products, processed food products, cosmetics, second hand clothes, plastic products. Other commodities include: cooking oils, sugar, stationary, detergents, ornaments, cigarettes and services such as hair dressing, shoe and watch repairs, sale of traditional herbs and medicines, transporters and newspaper vendors.

Street traders operate in sites that lack infrastructure and services such as shelter, roads, toilets, water and sewerage, and garbage collection. This exposes them to poor working conditions. While secure sites for operations remains a major pre-requisite of street trade, research from most African cities points out that very few cities have

planned sites for vending. Most city authorities expect street vendors to move into markets, or stop operating illegally. This expectation has not been fulfilled and few innovative cities in South Africa such as Durban have initiated programmes that integrate street vendors in urban development. Others, such as Nairobi, have accepted the operations of street vendors by setting aside specific lanes outside the central parts of the city for vendors, they however, are still to have specific policy relating to the informal economy and street trade in particular. Although relocation of street traders is a major step, the sites still lack services, while others are located away from busy areas and the vendors are reluctant to move to them.

2.2.7 Types of food vendors

According to Charamba in 1998 classified street food vendors into two categories. Those that operate from fixed locations and mobile vendors. The first category is the Street food vendors in fixed/rudimentary premises who are comprised of; - Street food vendors with bowls, basins, baskets or mats, Street food vendors with stools, Street food vendors with tables and Street food vendors with porch roofs or shades. The second category is mobile food vendors. This includes vendors who are walking with commodities and those who are vending using cart, bicycle.

2.2.8 The merits of MFIs to food vendors in Tanzania

According to Ledgerwood (1998) as cited by Amina, micro finance is defined as the provision of appropriate financial services to significant numbers of low income, economically active people with an end objective to alleviate poverty. Micro finance is regarded as a tool for fighting against poverty by providing financial services to those who do not have access to commercial banks and financial institutions. Financial services provided by the Micro Finance Institutions (MFIs) may include one or any combination of savings, credit, insurance, pension/retirement and payment services Chijoriga (2000). Microfinance is also frequently combined with the provision of social and business development services, such as literacy training, education on health issues, management or accounting.

Micro finance can be a critical element on effective poverty reduction strategy. Improved access and efficient provision of savings, credits and insurance facilities in particular can enable the poor to smooth their consumption, manage risk better; built assets gradually develop micro enterprises, enhance their income earning capacity and enjoy improved quality life (Rubambey, 2001).The main features of a microfinance institution which differentiate it from other commercial institutions, are such that, it is a substitute for formal credit; generally requires no collateral; have simple procedures and less documentation; easy and flexible repayment schemes; financial assistance of members of group in case of emergency; most deprived segments of population are efficiently targeted; and, last but not least, is groups interaction.

2.3 Empirical literature review

Otoo et al. (2009) analyzed women Entrepreneurship in West Africa in the Cowpea Street Food Sector in Niger and Ghana. The main objectives of the study were: to determine the importance of the cowpea-based street food sector in Niger and Ghana, to evaluate internal and external factors that drive the success of cowpea- based street food enterprises, to conduct a cross-country comparison to determine the impact of religious, cultural, income and geographic differences on the success of women entrepreneurs selling cowpea-based street foods.

This paper was based on both primary and secondary data collected via in-person interviews with 114 and 122 women street food entrepreneurs in the Niamey of Niger and Kumasi of Ghana in 2009. Additional secondary data on minimum wages and population of selected zones were obtained from government and research agencies. OLS regressions were further used to determine entrepreneurial success. The study observed that women entrepreneurship in the informal sector, such as street food vending is important for economic development and poverty alleviation in West Africa.

The street food sector provides employment for women and inexpensive and nutritious food for the urban poor. In this paper, the researchers determined the

importance of the cowpea street food sector, evaluated the determinants of successful enterprises and ascertained the impact of economic, cultural and religious and geographic differentials between enterprises in Niamey and Kumasi.

The main findings of this study indicate that women entrepreneurs engaged in the cowpea street food sector were earning income significantly higher than the minimum legal wage in Niamey and Kumasi. These vendors were micro entrepreneurs rather than dependent workers, providing employment not only for them but also for other people. Incomes earned from these entrepreneurial activities contributed directly to health, education and other needs of their families. Higher educational levels are not associated with more successful enterprises which are contrary to much of the business literature. The reasoning for this phenomenon is that these individuals may be involved in street food vending as a temporary activity while they search for better employment opportunities and have no incentive to invest and expand their businesses. Family support is central to the operation of most street food enterprises, particularly where religious beliefs dictate the manner in which women entrepreneurs conduct their business.

Cross-country comparisons revealed that enterprises in Kumasi are larger and more successful (earning higher incomes) than those in Niamey. Religious beliefs influence business success in Kumasi where seclusion rules result in “strictly observant Muslims” entrepreneurs earning less income than Christian entrepreneurs. The study concluded that women street food enterprises are important avenues for employment and income generation. Enterprise development strategies geared at poverty alleviation in West Africa should include proactive measures that alleviate market barriers specific to informal women entrepreneurship such as street food vending.

Studies on MFIs have been conducted in various countries all over the world. The findings from these studies are useful to new researchers on microfinance. Some of the studies which had significant contribution include the study by Mosley (2001). In this study done in Bolivia, Mosley assessed the *impact of microfinance in poverty* by

using various range of poverty concepts such as income, asset holdings and diversity, and various measures of vulnerability.

All the institutions studied had on balance, positive impacts on income and asset levels, with income impacts correlating negatively with income on account of poor households choosing to invest in low-risk and low-return assets. This study revealed in comparison with other anti-poverty measures, microfinance appears to be successful and relatively cheap at reducing poverty in various aspects.

Another empirical contribution in this area was made by Hassan and Renteria-Guerrero. In their work '*The experience of the Grameen Bank (GB) of Bangladesh in Community Development*', this study revealed that the GB has established its credentials as an Institution that aim at providing credit to the landless and asset less poor in rural areas. GB credit gives the recipient the power of entitlement to society's productive goods and services with immediate effect, unlike most of the other programmes that tend to create unintended negative effect of dependency on the service providers. It was also observed that credit by itself is an insufficient factor to improve poverty conditions, and thus the GB devotes a substantial amount of resources to the improvement of the social wellbeing of its members.

In 2006 Kessy and Urio carried out study based on 37 MFIs which was aimed at assessing the contribution of Micro finance Institutions to Poverty reduction in Tanzania suggests that MFIs operating in Tanzania has brought positive changes in the standard of living of people who access their services. The study also concludes that some of the clients have not benefited but most MFIs clients have benefited positively. However the study suggested that despite the achievements of MFIs clients complained that, the interest rates charged by MFIs were very high.

The study indicated that the process of application for loans starts with small amount and after repayment the client can apply for the next higher amount. This process was observed to be a limiting factor for those customers who needed a large amount

right from the beginning. This is true because it takes an unnecessarily long time for those seeking a large loan to obtain enough funds to meet their needs. In addition to the time taken to receive large loans, the clients also raised concerns about the time frame from the receipt of the loan to the time of starting repayment, which is just one week after the disbursement of funds in most cases.

The surveyed MFIs revealed that they were conducting pre-training programme to clients. Detail analysis shows that pre-training programme was merely concentrating on familiarizing clients with loans and conditions attached to loans rather than providing small business skills. This practice may build up spirit of loans repayment but does not influence business growth. The study recommended that MFIs should lower interest rates, restructure their training contents, and consider possibility of increasing grace period and reducing frequency of repayment

Chijoriga (2000) conducted research study on evaluating the performance and financial sustainability of MFIs in Tanzania, in terms of the overall institutional and organizational strength, client outreach, and operational and financial performance. The study were basing on 28 MFIs and 194 MSEs which were randomly selected and visited in Dar es Salaam, Arusha, Morogoro, Mbeya and Zanzibar regions.

The findings of this study shows that, the overall performance of MFIs in Tanzania is poor and only few of them have clear objectives, or a strong organizational structure. It was further observed and reported that MFIs in Tanzania lack participatory ownership and many are donor driven. Although client outreach is increasing, with branches opening in almost all regions of the Tanzanian mainland, still MFIs activities remain in and around urban areas. Their operational performance demonstrates low loan repayment rates. In conclusion, the author pointed to low population density, poor infrastructures and low house hold income levels as constraints to the Micro Financial Institutions' performance.

Apart from the contribution of the informal sector to poverty reduction, Omary (1995) reported that the informal sector plays a vital role in improving people welfare. The emphasis was on the key contribution to the household economy. In

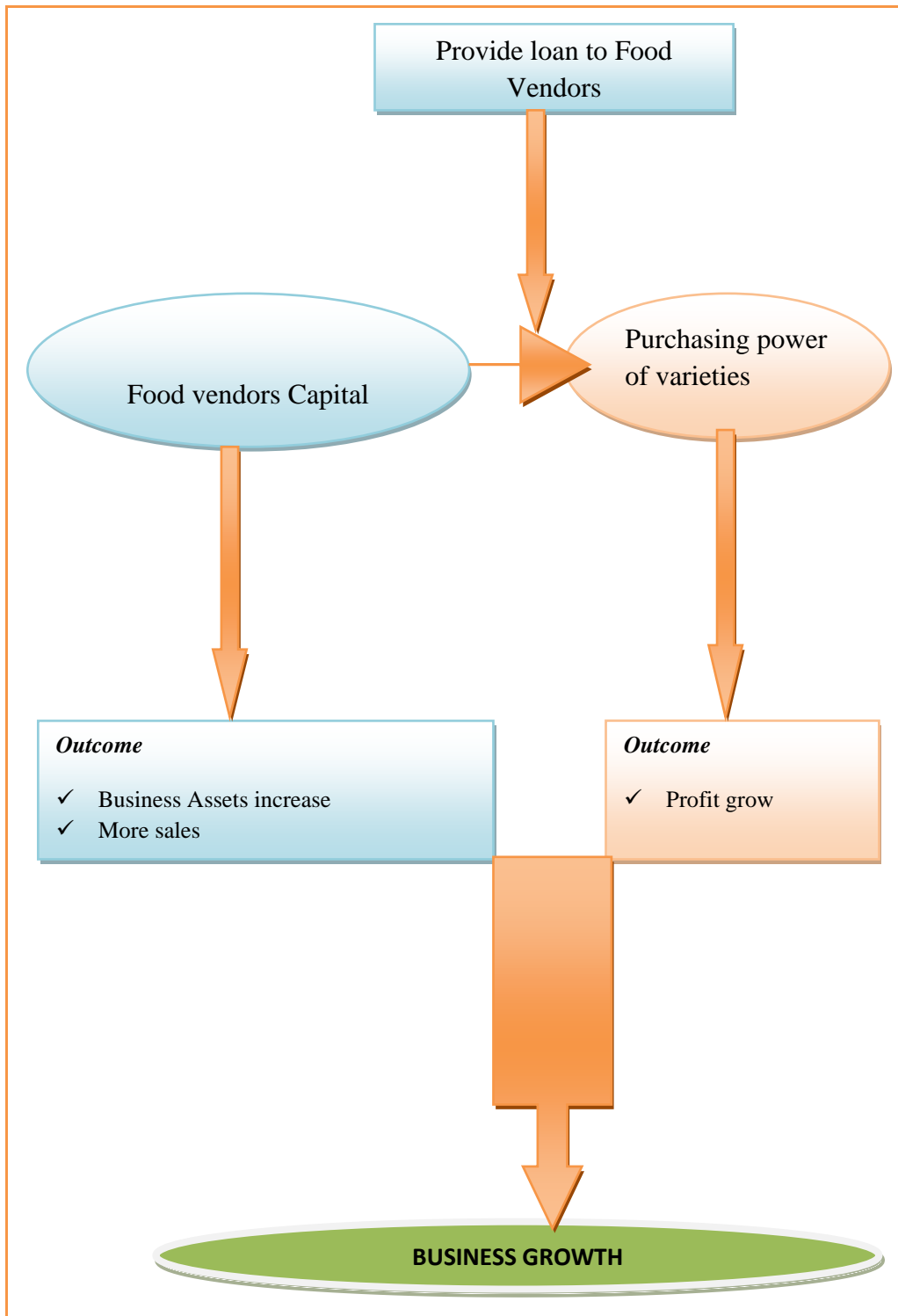
fact, without informal activities the households would suffer economic hardships. For example, Omary (1996) reported that women who are the food vendors known as “mamantilie” earn income which goes directly not only to the bread winners but also help for other household responsibilities in Dar es Salaam region. Likewise, Msangi (2002) reported that food vending business is prospering due to its potential contribution to household welfare. This is because the business contributes a lot to the poor people involving in such a business.

2.4 Conceptual framework and research model

Two major parties were involved in this study. The first part includes food vendors who have access MFIs loans while the second part includes food vendors who had not accessed MFIs loans as the benchmark. The major reason for having benchmark group is to determine the contribution of MFIs loans to the performance of food vendors in Tanzania.

Micro finance Institution services have impact not only on the food vendor sector performance in Tanzania but also on the owners and community at large, therefore the conceptual framework developed look at the outcome of loans on the growth of food vendors at household level due to the assumption that increase on growth of result into an increase of food vendors owner’s wealth and overall standard of living since the profit obtain from vending activities enable the food vendors owners to meet their living expenditure, obtain nutritional foods and hence create a possibility of trickle-down effect.

Figure 2.1 Conceptual framework



Source: Original designed by researcher 2013

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section basically spells out researcher's tools and methods in the data collection process as well as the analysis of the collected data in order to achieve objectives of the study. The section is divided into various subtopics which includes research design, area studied, population studied, sample size, sampling technique, types and sources of data, methods of data collection, ethical clearance issues and data analysis techniques.

3.1 Research design

Research design is a framework or blueprint that plans the action for the research project (Zikmund, 2003). It details the procedures necessary for obtaining the information needed to structure or solve the research problem (Malhotra, 2004).

According to this research, researcher used exploratory research approach. According to (Uma Sekaran, 2003) exploratory research is undertaken when not much is known about the situation at hand, or no information is available on how similar problem or research issues have been solved in the past. As for this research, extensive preliminary work was done by gaining familiarity with the phenomena in the situation, and understand what was occurring, before researcher develop a model and set up a rigorous design for comprehensive investigation. In essence, exploratory research was undertaken to better comprehend the nature of the problem. Extensive interviews with many people was undertaken to get a handle on the situation and understand the phenomena.

3.2 Area of the study

The MFIs and food vendors are well distributed all over the country, but due to the limitation in time and financial resources, the study was conducted at Dar es Salaam

city. The researcher has selected this area because it is well distributed with a large number of food vendors with access to Micro-finance services and who are using the services.

3.3 Population of the study

According to Thomas (2004), a population may be defined as the total set of elements we are interested in. The size of the population usually makes it impractical and uneconomical to involve all members of the population in a research project (Welman & Kruger, 2001). Samples are therefore drawn for investigation.

Defining the population we wish to study is an important prelude to being able to draw samples from it (Thomas, 2004). The research objectives and scope of the study are critical in defining the target population that will be studied (Hair et al, 2003). As the objective of this study is the assessment of poverty reduction of food vendors through microfinance institutions in Tanzania, the population specific to this study may be defined as food vendors who access microfinance services in Tanzania. However, for comparison purposes, control group includes food vendors who have no access to micro finance services.

3.4 Sample size

Data collection may be done on the entire population but this study covers a total of 60 food vendors. According to Uma Sekaran (2003) too large a sample size, however (over 500) could also become a problem. Sample sizes larger than 30 and less than 500 are appropriate for most research studies (Uma Sekaran, 2003).

Specifically, the coverage include 30 food vendors who have access and use micro financing services and 30 food vendors who do not use micro financing services (Control Group). Food vendors who do not use micro financing services represented food vendors living in close proximity to those food vendors who have access and use micro financing services, but who did not at the time of the interview include persons with access and or using micro financing services.

Table 3.1 Sample size distribution

Detail of the Food vendors with access of MFI services in different locations at Dar es Salaam City Tanzania	Number of individuals	Percentages
Mwenge bus terminal area	10	25%
Sinza Mapambano area	10	25%
Manzese Darajani	10	25%
Magomeni Mwembechai	10	25%
TOTAL	40	100%

Source: Original designed by researcher 2013

3.5 Sampling technique

Sampling is important in determining and representing the whole large population. This study involved two different sampling techniques. First, the study employed purposive sampling technique which is non-probability technique in order to obtain number of food vendors with access to micro finance services. The second is the random sampling technique which was employed to select food vendors who do not access microfinance services.

3.6 Types and sources of data

Data means facts, opinions and statistics that have been collected together and recorded for reference or analysis (Saunders et al, 2009). Data can be obtained from primary or secondary sources. To ensure sufficient and relevant data collection in this research, both qualitative and quantitative data were used from different sources of primary and secondary data.

3.6.1 Primary Data

Primary data refer to information obtained first hand by the researcher on the variables of interest for the specific purpose of the study (Uma Sekaran, 2003).

Primary data are specifically collected for the purpose of the research study. Data was originated by the researcher specifically to address the research problem. The

researcher used two methods in collecting data; the first method involved distribution of questionnaire and the second method was conducting an interview with the relevant parties. The information collected from research includes flexibility of accessing loans, technical supports offered by MFIs and the extent of changes to their welfare as a result of the financial services.

3.6.2 Secondary Data.

Secondary data means data that have already been collected for some other purpose. Thus includes both raw data and published summaries. Most organizations collect and store variety of data to support their operations (Saunders et al, 2009).

Secondary data was obtained from both published and unpublished data sources. These include data from sources such as surveyed microfinance institutions, previous published and unpublished dissertations. Data was also collected both from local and international journals, magazines and internet surfing.

3.7 Data collection methods

Data collection methods are an integral part of research design. There are several data collection methods, each with its advantages and disadvantages. Problems researched with the use of appropriate methods greatly enhance the value of the research. Three main data collection methods in survey research are interviews that are face-to-face interviews and telephone interviews; questionnaires that are either personally administered, or sent through mail; and observing people and phenomena. For this research study, researcher use questionnaires, observation and interviews as methods in collecting data.

3.7.1 Questionnaires

A questionnaire is a reformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. Questionnaires are an efficient data collection mechanism when the researcher knows exactly what is required and how to measure the variables of interest. Questionnaires can be administered personally, mailed to the respondents, or

electronically distributed (Uma Sekaran, 2003). Specifically to this research study questionnaires was administered personally in order to ensure close follow up and maximum responses from the respondents.

The structured questionnaire was employed to gather data for completion of this research study. The questionnaires were designed properly to get the most accurate information which was easily understood by the respondents.

3.7.2 Observation

Observation in the fieldwork was used mainly to probe issues beyond those covered in the structured questionnaires and semi-structured questionnaires.

3.7.3 Interview

This method was used to obtain primary data and information on various aspects. This was done by means of personal interview and discussion with food vendors.

3.8 Problems encountered during data collection

During the exercise of data collection the researcher was encountered the following problems:

- a. Lack of transparent: Some of the respondents were not open and ready to provide data pertaining to their activities especially on sensitive issues like finances about the amount of income earned by individual at particular period of time. This situation caused lack of proper recording. However, this was minimized by asking the respondents to estimate the average income instead of the actual amount earned per month.
- b. Limited time: the period given to collect data was not enough to allow for large sample size and be able to collect detailed information from the respondents. This was minimized by taking relatively smaller sample size.

- c. Limited Funds: the limited fund was a big problem especially due to rise of cost of living and transport facility.

3.9 Ethical issues

The word “ethics” was derived from the Greek word “ethos” meaning a person’s character or disposition (Kimmel, 1995). However, the term is often used to signify rules of behaviour or conformity to a code or a set of principles. Researchers need to have a firm understanding of what is considered right and wrong when they are researching (Jolise, 2007). Prior to conducting this research study permission was obtained from selected food vendors owners. Consent was also sought by the researcher on accessing MFIs information necessary for the research. To evoke an interest in the study, all senior officials and employees residing under their supervision was initially informed via e-mail about the purpose and objectives of the study and when the study was conducted, the confidentiality, anonymity and voluntary nature of the study was also addressed. With regards to the data collection, the researcher ensured maximum confidentiality of the respondents’ details and no authentication attached to the submitted questionnaires.

3.10 Data processing

The data was collected, coded, edited, classified and tabulated ready for analysis. Editing was used to check for errors and omissions to ensure accuracy and consistency of the data.

3.11 Data analysis

Data are of little or no value merely as data (Leedy & Ormrod, 2010). The collected data were edited so as to detect errors and omissions and there after coded prior to analysis. The statistical package for social sciences (SPSS) computer soft ware for window version 16 was used to enter data and perform analysis. The qualitative or descriptive statistics such as frequencies and means were used to analyze data. The aforementioned techniques were used to assess the characteristics of sample respondents, identifying the factors affecting performance of the informal activities

related to food, and determining the income accruing from informal activities. Data were presented in the form of cross-tables.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, INTERPRETATION AND DISCUSSION OF FINDINGS

Introduction

This chapter presents findings in the research questions. The findings are summarized from the primary sources of data, presented in tables showing: frequencies, graphs and percentage contributions.

4.1 Demographic Characteristics of Respondents

The demographic characteristics are presented showing respondents characteristics including response rate, gender, age, marital status and highest level of education.

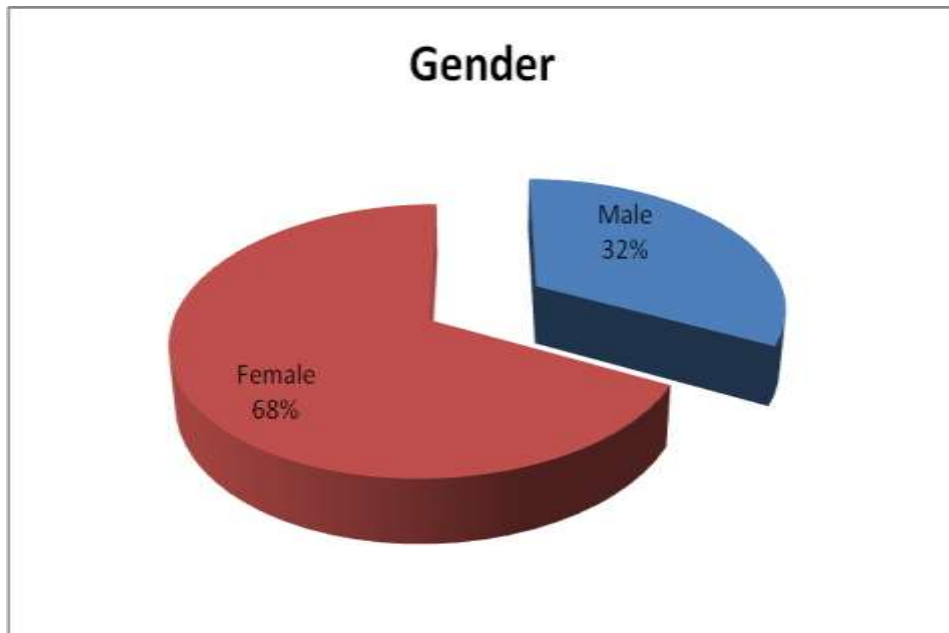
4.1.1 Response rate

A total of 40 questionnaires were administered to street food vendors and officials in the MFIs with an expectation return of all respondents after accounting for non response computed at 95% after the exercise, all the questionnaires were collected posting a response rate of 100%.

4.1.2 Gender of the respondents

Many studies indicate that the street food sector is mostly dominated by females. This is mostly due to restricted economic opportunities for women and gender bias defined by societal and cultural beliefs in developing countries. This sector is mostly categorized for the lower and uneducated individuals of whom women are mostly grouped under. Figure 4.1.3 below shows that out of the total respondent's 67.5% of the street food vendors are females and only 32.5% are males. A partial explanation for the high dominance of females in the street food sector is that women are commonly socialized to believe that domestic jobs are female oriented whilst formal jobs are for males. This is evident in some reviewed literatures in this study. Even though this perception is changing it is moving at a slow pace.

Figure 4.1 Gender of the respondents

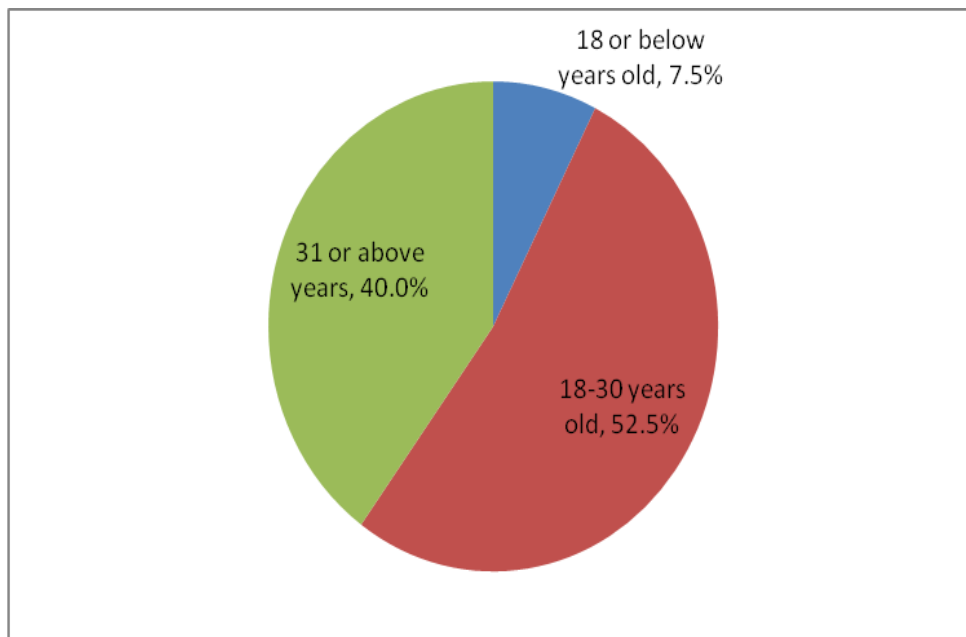


Sources: Researcher field survey 2013

4.1.3 Age of the respondents

Age is a contributory factor to the operations of most of every business. Therefore it is prudent to know the age range of the street food vendors under study. Most of the age range found amongst the street food sector was between the ages 18-30 representing 52.5% of the sample size selected for this study. A close age group that followed was 31 years old and above recording 40% of the total sample size of 40 respondents. On a whole, the findings showed that 7.5% of the respondents were aged below 18years which is contra to the standard age considered by the constitution of Tanzania as someone who is an adult. See Figure 4.1.3 below for further clarification on this matter

Figure 4.2 Age of the respondents

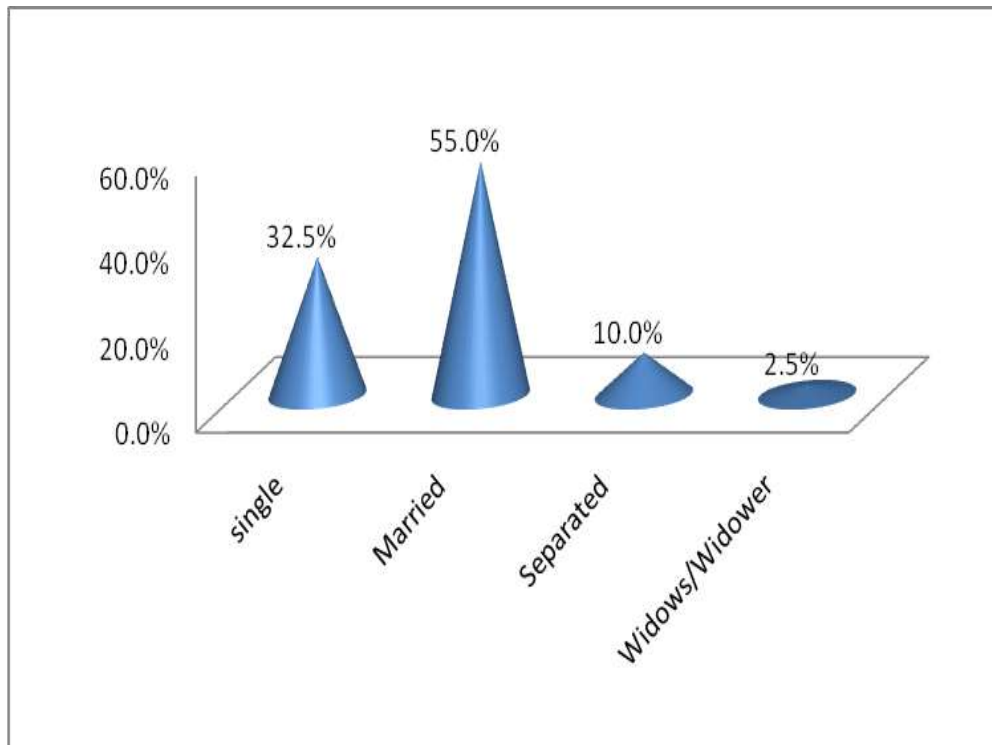


Sources: Researcher field survey 2013

4.1.4 Marital status of the respondents.

The marital status of individuals operating in the street food sector suggests how desperately money is needed to support the driving motivates of individuals or shareholders or owners of the business. Majority of persons involved in these activities are married and so have a larger family size as opposed to those who have lost their spouses, are single or divorced. This obeys with the theory of Maslow which states that the large the family sizes the large the basic needs are needed due to unlimited needs of the family. Clustered pyramid presented by Figure 4.1.4 below show that, 55% of respondents were married and 32.5% are single. Only 2.5% of the vendors are widows/widowers and 10% of the respondents representing those who are separated.

Figure 4.3 Clustered pyramid showing marital status of the respondents



Sources: Researcher field survey 2013

4.1.5 Educational level of the respondents

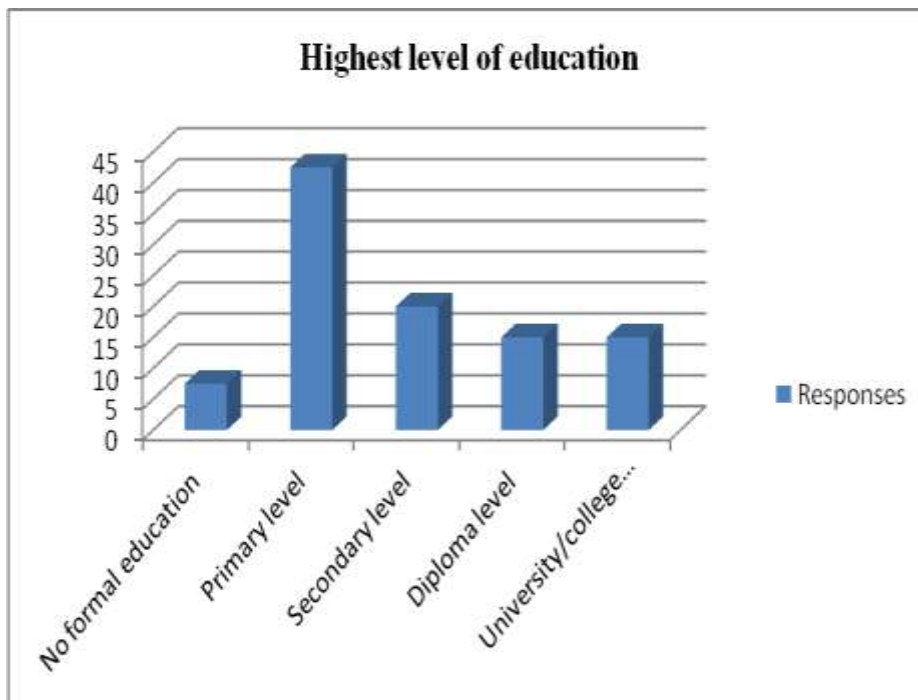
Education is a key factor to the survival of most businesses; however a good number of street vendors have only primary education which does not enhance the management of such businesses. Out of the total sample size selected for this study table 4.1.5 and bar graph 4.1.5 below shows that, a large number of the street food vendors representing 42.5% have primary education only whilst 20% have secondary education. In addition to that table 4.1.5 and graph 4.1.5 shows that 15% of the respondents have diploma education while 15% of the total respondents have university or college degree education.

Table 4.1 Educational level

Responses	Frequency	Percent
No formal education	3	7.5
Primary level	17	42.5
Secondary level	8	20.0
Diploma level	6	15.0
University/college degree level	6	15.0
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.4 Bar graph showing education level of the respondents



Sources: Researcher field survey 2013

4.2 Startup Capital for Street Food Vendors in n Tanzania

The findings about startup capital for street food vendors are vital in providing results about the researcher's first objective that is "To determine the sources of startup capital for street food vendors in Tanzania and the findings were analyzed using frequencies and percentages represented in tabular and figure formats.

4.2.1 Sources of starting capital

Capital is the money that businesses use to start their operations. Therefore, it is highly important for businesses to choose appropriate borrowing sources. Table 4.2.1 below shows that a large number representing 55% of the street food vendors used their personal money to operate. However, 32.5% of the food vendors generate their startup capital from their relatives whilst 12.5% of respondents indicate that they were borrowing from financial institutions and other money lenders. The respondents indicate that the main reason for little borrowing from these two sources of capital is mainly due to the fact that the requirements are high with cumbersome procedures. Also, some respondents complained the interest charged on the amount borrowed is relatively high.

Table 4.2 Showing sources of street food vendor's startup capital

Responses	Frequency	Percent
Personal savings	22	55.0
Family shares/Relatives	13	32.5
Borrowed capital	5	12.5
Total	40	100.0

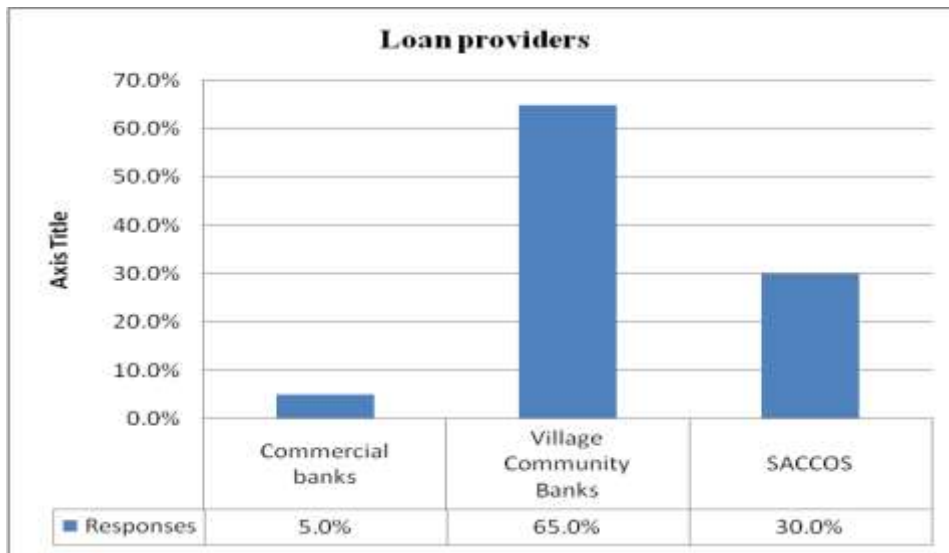
Sources: Researcher field survey 2013

4.2.2 Loan providers to street food vendors

From the bar graph presented by figure 4.2.2 below, 65% of the respondents indicated that they were accessing loans in the Village Community Bank (i.e. VICOBA) whilst 30% of the respondents indicated that they were accessing their capital through SACCOS. Out of the sample taken only 5% of the respondents

revealed that they were taking loans from banks. This implies that most of the street food vendors were not taking loans from banks due to higher interest rates and cumbersome/bureaucratic procedures.

Figure 4.5 Showing loan providers to street food vendors.



Sources: Researcher field survey 2013

4.2.3 Years in operations

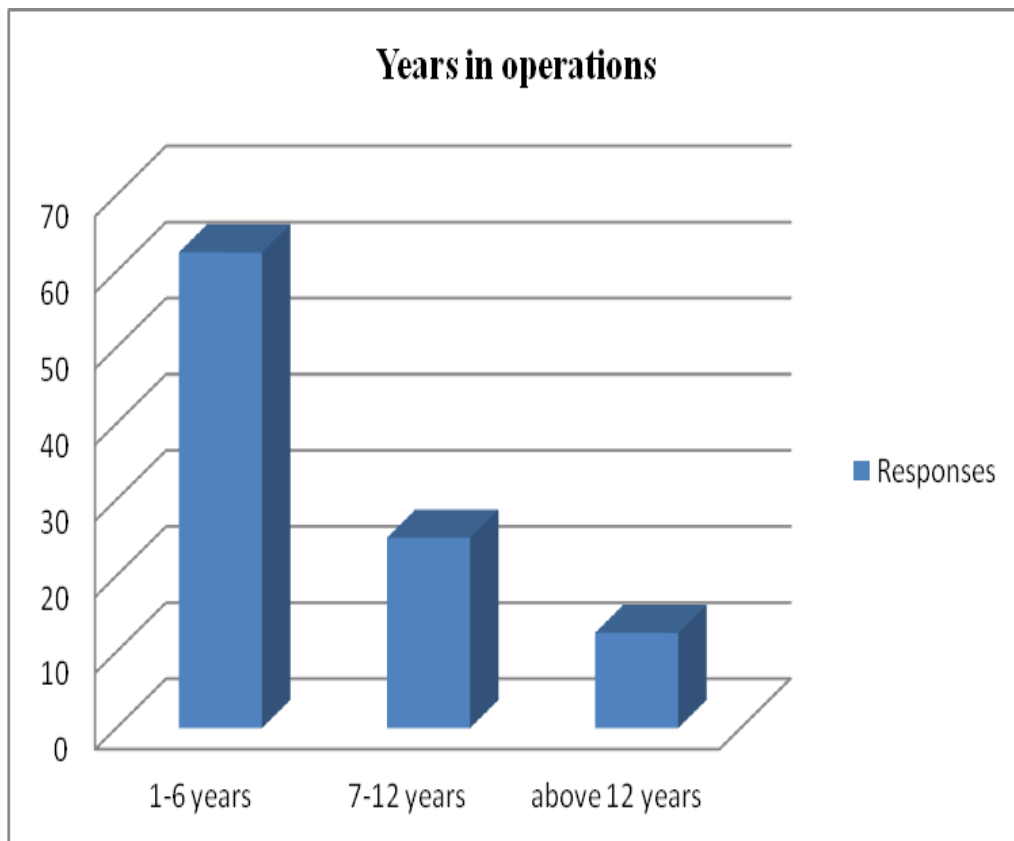
The number of years since the inception of these street food businesses is keen to the study. This is because this will aid in knowing the number of years these businesses have been in operational performance and accessing loans from MFIs. Despite the fact most of the street food vendors revealed that they are new to the business, performance of the sector has been gaining momentum year after another. Table 4.2.3 and bar graph 4.2.3 below shows that majority of food vendors (62.5%) have been in operation for a range of 1-6 years. Subsequently, 25% of the food vendors have been in operation for 7-12years. However, only 12.5% reported to be in existence for 12 years and above. From this observation we can deduced a lot of new businesses or individuals have joint the sector in a short period of time. This new influx may pose positive challenge to the existing firms, policies and government regulations.

Table 4.3 Distribution of years in operations

Responses	Frequency	Percent
1-6 years	25	62.5
7-12 years	10	25.0
above 12	5	12.5
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.6 a bar graph showing number of years street food vendors has being in operations



Sources: Researcher field survey 2013

4.3 Loan Accessibility to Street Food Vendors

The findings from this section helped the Researcher to get information on the second objective that is “To establish if selected food vendors in Tanzania access adequate loans from MFIs”.

4.3.1 Capital Invested in the Business by Street Food Vendors

Capital is the money that businesses use to start their operations. Therefore, it is highly important for businesses to have capital in order to commence business operations. Table 4.3.1 below shows that 25% of the street food vendors commenced their business with a capital which was below Tshs. 50,000.00. Subsequently, 22.5% of the vendor's initial capital was ranging from Tshs. 51,000- Tshs. 100,000. However, 20% of the street food vendors indicate that they started business with a capital of Tshs. 101,000- Tshs. 200,000 whilst other 20% of the street food vendors represented that they have also commenced business with a capital which is above Tshs. 501,000. Only 12.5% of the street food vendors started operations with a capital ranging from Tshs. 201,000-Tshs. 500,000. These analyses confirm that street food vendors in Tanzania are facing problems in running their business due to inadequate capital invested. This is the main theme which was addressed by the second objective of the study.

Table 4.4 Capital outlay in the business

Respondents	Frequency	Percent
Tshs. 0.00-50,000.00	10	25.0
Tshs. 51,000.00-100,000.00	9	22.5
Tshs. 101,000.00-200,000.00	8	20.0
Tshs. 201,000.00-500,000.00	5	12.5
Above Tshs. 501,000.00	8	20.0
Total	40	100.0

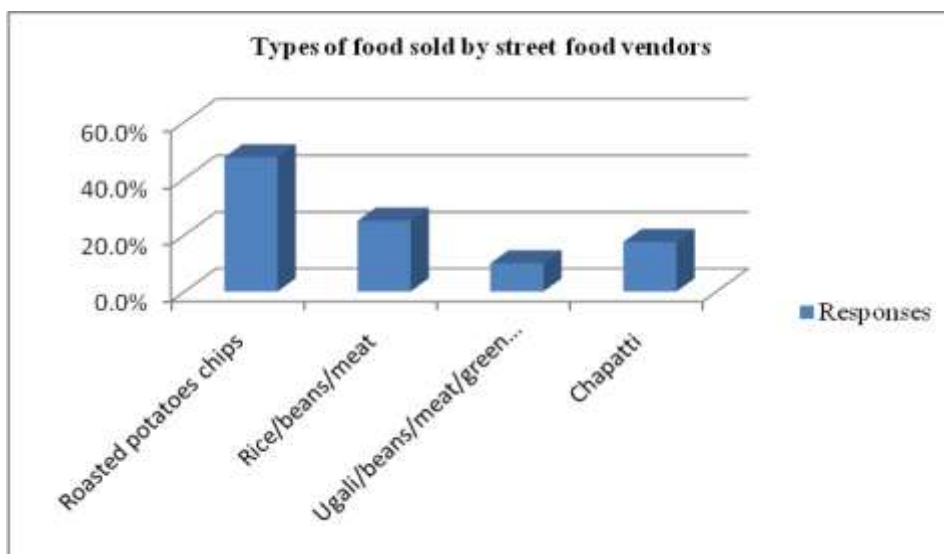
Sources: Researcher field survey 2013

4.3.2 Common type of food sold by street food vendors

The researcher has design closed questionnaire which helped in pointing out the type of food sold by these street food vendors. The types of food were grouped under the various headings which are indicated in Figure 4.3.2 below. Graph presented by Figure 4.3.2 below shows that 47.5% of the foods sold was roasted potatoes chips. Subsequently, 25% of the foods sold were rice/beans/meat. However, 17.5% of the

foods sold were chapatti with varieties of snacks whilst 10% of the foods sold were ugali/beans/meat and green vegetables. It was further noted by the researcher that these food types were the most common commodity traded. Due to this reason, it was one of the motivating factors to most of the street food vendors to engage themselves in this activity.

Figure 4.7 showing graphical presentation of types of food sold by street food vendors in Tanzania



Sources: Researcher field survey 2013

4.3.3 Rationale behind food type

Most street food vendors find themselves in such activities due to many reasons such as need for money, interest, research, demand/need for the particular food offered. 65% of the street food vendors responded to this part show that they are engaged in such activities because of the element of money which they are obtaining.

This enables them to sustain life any pay for the loans they take from MFIs. On the other hand, 20% the vendors engaged in such activities because of the interest in the preparation of food. Table 4.3.3 and figure 4.3.3 below also shows that only 15% of the street food vendors operate the business because of the demand or need for the food from their customers. In light of the high percentage (65%) with regards to

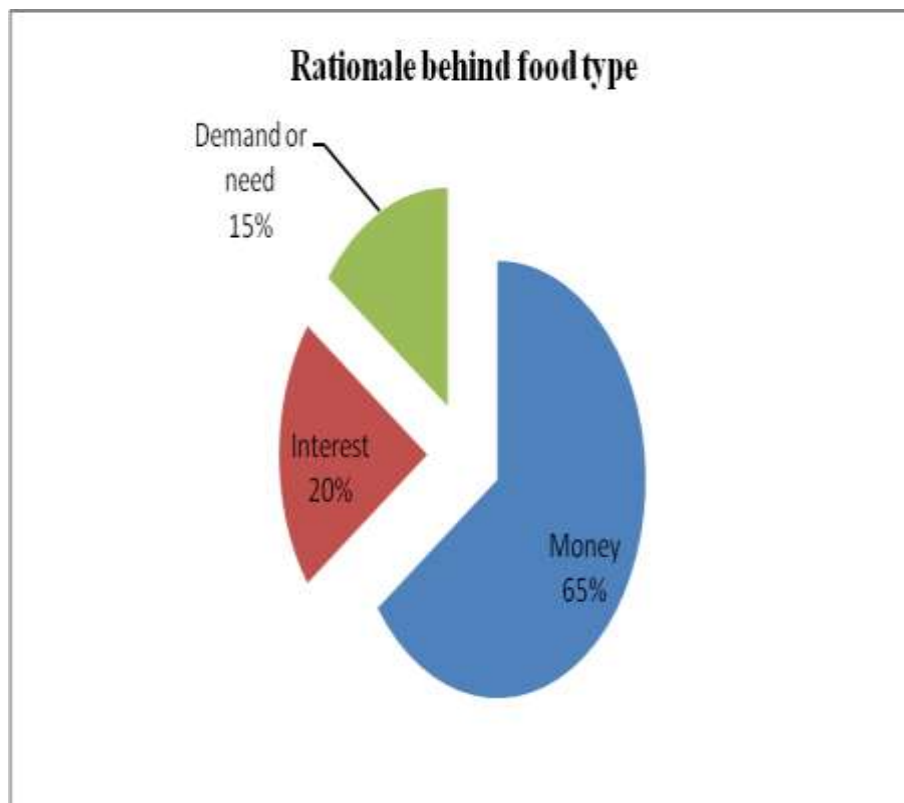
money, the sector has the potential to expand but for some challenges especially sources of capital which are beyond their control, they find themselves locked up at one place for a long number of years.

Table 4.5 Rationale behind food type

Responses	Frequency	Percent
Money	26	65.0
Interest	8	20.0
Demand or need	6	15.0
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.8 a pie diagram showing rationale behind food type



Sources: Researcher field survey 2013

4.3.4 Borrowing options

Borrowing is the situation where by an individual or business is being financed or geared by external stakeholders. As far as optimal capital structure is concerned debt is good cheaper sources of capital if well arranged. To confirm whether street food vendors in Tanzania had been accessing loans from micro finance institutions, they were asked to respond if they have ever applied for a loan to fiancé their businesses. Table 4.3.4 shows that majority of the food vendors (97.5%) of the sample taken for this study replied that they are accessing direct loans from MFIs to finance their business operations while 2.5% of the food vendors responded that they had not applied for the loan to finance their operations. This analysis also confirm to the objective number two which was intending to determine whether food vendors in Tanzania access direct adequate loans from MFIs.

Table 4.6 Ever applied loans from MFIs

Responses	Frequency	Percent
Yes	39	97.5
No	1	2.5
Total	40	100.0

Sources: Researcher field survey 2013

4.3.5 Years of existence depending on MFIs loans

The number of years street food vendors businesses exist since inception by depending on Micro finance Institutions loans is of great important to this study. This will aid in knowing the number of years that these business have been supported by Micro-Finance Institutions. Table 4.3.5 below show that majority of street food vendors businesses (55%) have been accessing loans from MFI in a range of 1-5 years. Subsequently, 37.5% of the food vendors in the sample size taken shows that they were accessing MFIs loans for a period of 6-11 years. 2.5% of the street food vendors have being accessing loans for 11-15 years while only 2.5% of the street food vendors representing that they are accessing loans from MFIs.

Table 4.7 Years of depending on MFIs loans

Responses	Frequency	Percent
1-5 years	22	55.0
6-10 years	15	37.5
11-15 years	1	2.5
16 and above years	2	5.0
Total	40	100.0

Sources: Researcher field survey 2013

4.3.6 Revenue generated

For every business to expand, it needs to be empowered by revenue generated. Therefore the higher the generated revenue, the more likely the business is able to expand. Table 4.3.6 below shows that 40% of the respondents generate revenue above **Tshs. 500,000** daily. This makes it possible for the street food vendors to have expanded their businesses. In addition to that table 4.3.6 below shows that 17.5% of the food vendors make an average revenue range between Tshs. **201,000** to Tshs. **500,000**. This part of analyses confirm to the first objective of the study which were to examine the contribution of MFIs loans on the performance of food vendors in Tanzania.

This is because one of the major indicators of good performance is the generation higher revenue as presented by the table 4.3.6 below. Higher revenue has also being reached due to the basic training conducted by MFIs to street food vendors after advancing loans to them. The table 4.3.6 below also shows that 30% of the food vendors generate revenue below **Tshs. 100,000** while 12.5% of the respondents earn a revenue range between **Tshs. 101,000** to **Tshs. 200,000**. This is an indication that extra efforts are required by the sector to ensure that majority of food vendors earns higher revenue which could enable the expansion of the business operations and payback of the loans taken from the micro-finance institutions.

Table 4.8 Revenue generated by the food vendors

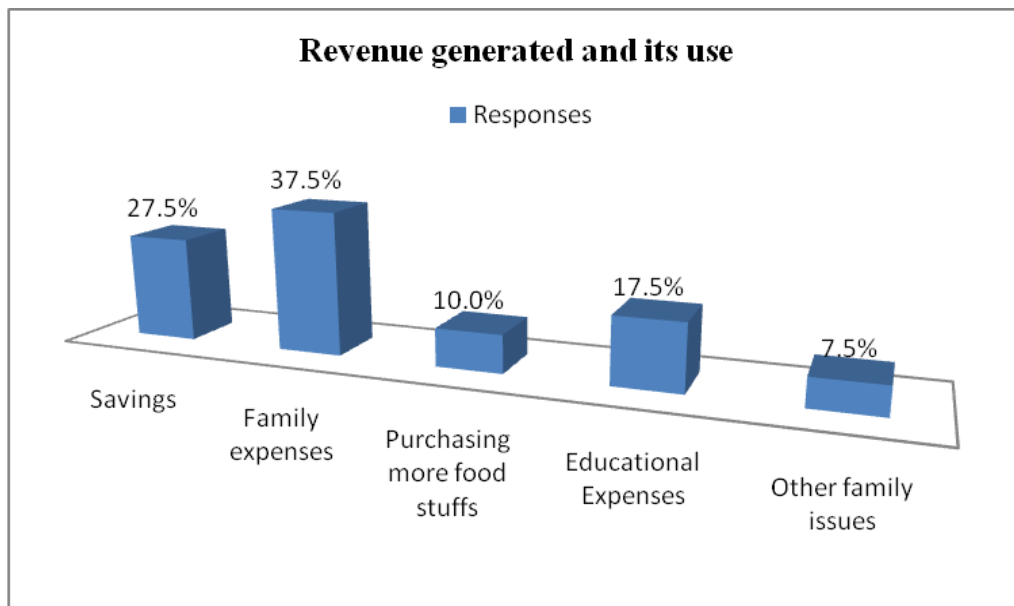
Responses	Frequency	Percent
less than Tshs 100,000	12	30.0
Tshs 101,000-Tshs200,000	5	12.5
Tshs 201,000-Tshs 500,000	7	17.5
above 500,000	16	40.0
Total	40	100.0

Sources: Researcher field survey 2013

4.3.7 Revenue generated and how it is used

Street food vendors were asked to indicate uses of the revenue generated. Most of the stagnation in expansion and growth of the street food vendors is greatly attributed to family expenses. Hence, 37.5% of the street food vendors respondents indicated that most of the money generated were used to cater for the need of the family. This analysis illustrates the reasons behind as to why street food vendors in Tanzania are not performing to the expectation as most of the revenue generated was consumed by family expenses. A representation of 27.5% respondents mentioned that they channel their revenue into savings and 17.5% of the respondents reported to channeling their revenue into their children's education. It is surprising to note that only 10% use their revenue to buy more food stuffs to boost their business, which is relatively smaller than what is channeled into family expenses. This is another major expansion delays in their operations. 7.5% of the street food vendors reported to use their revenue on other issues best known to them. A bar graph presented by Figure 4.3.7 below clarifies further on this matter

Figure 4.9 showing uses of revenue generated



Sources: Researcher field survey 2013

4.3.8 Borrowing obstacles faced by street food vendors

For any financial institutions prior to advancing loans to their beneficiaries, credit analysis of customers must be performed. The purposes of carrying out credit worthiness of customers is to have beyond reasonable doubt that customers will managed to pay their obligation when are falling due. In determining whether street food vendors get constraints while accessing loans from MFIs, 70% of the street food vendors responded that it is not easy to access loans from MFIs while 30% of vendors represent that it is easy to get loans from MFIs.

The reasons for the difficulties of accessing loans were attributed with collateral securities required by MFIs. Apart of the security was cumbersome procedures used in advancing loans to street food vendors. In the interview which was carried by researcher revealed that, “MFIs in Tanzania imposed collateral securities against the loans their advancing to food vendors owners to balance for level risk of not paying back the loans when it falls due. These analyses confirm that there is hindrance imposed by MFIs to street food vendors while accessing loans from these

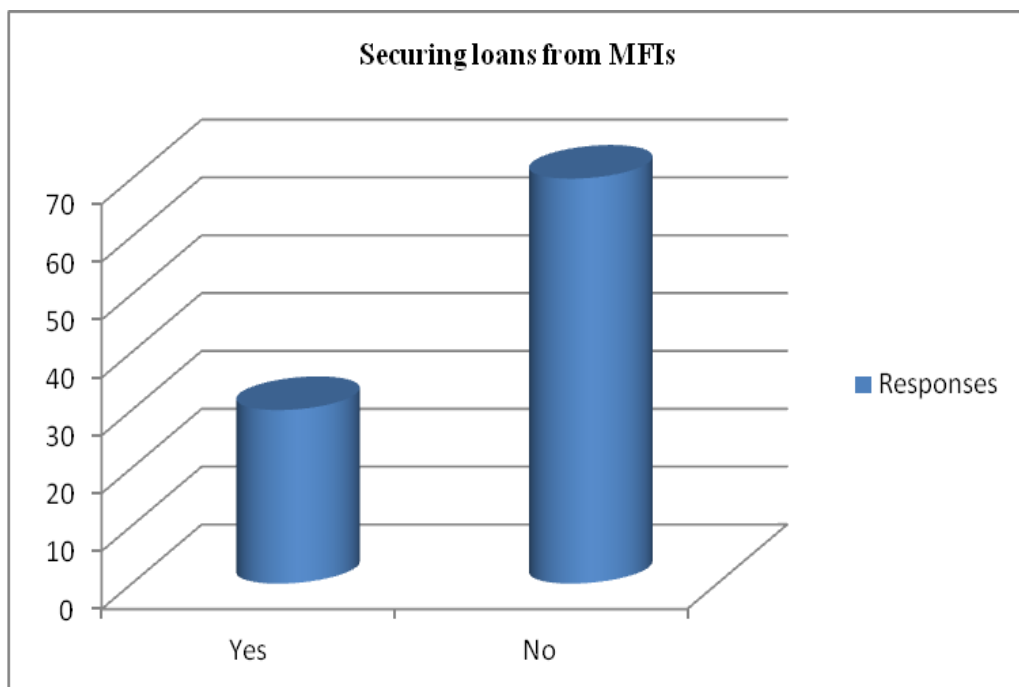
institutions. Due to that it is difficult for the sector to grow in an environment of this nature. See table 4.3.8 and figure 4.3.8 below

4.9 Table obstacles of accessing loans from MFIs.

Responses	Frequency	Percent
Yes	12	30.0
No	28	70.0
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.10 showing whether street food vendors face obstacles in accessing loans from MFIs



Sources: Researcher field survey 2013

4.3.9 Borrowing obstacles imposed by MFIs

Through structured questionnaires and conversational interviews with the street food vendors many of them complained bitterly that due to the small nature of their capital outlay they are not able to expand (move their businesses from the microenterprise stage to the medium enterprise and subsequently the large enterprise). Therefore in

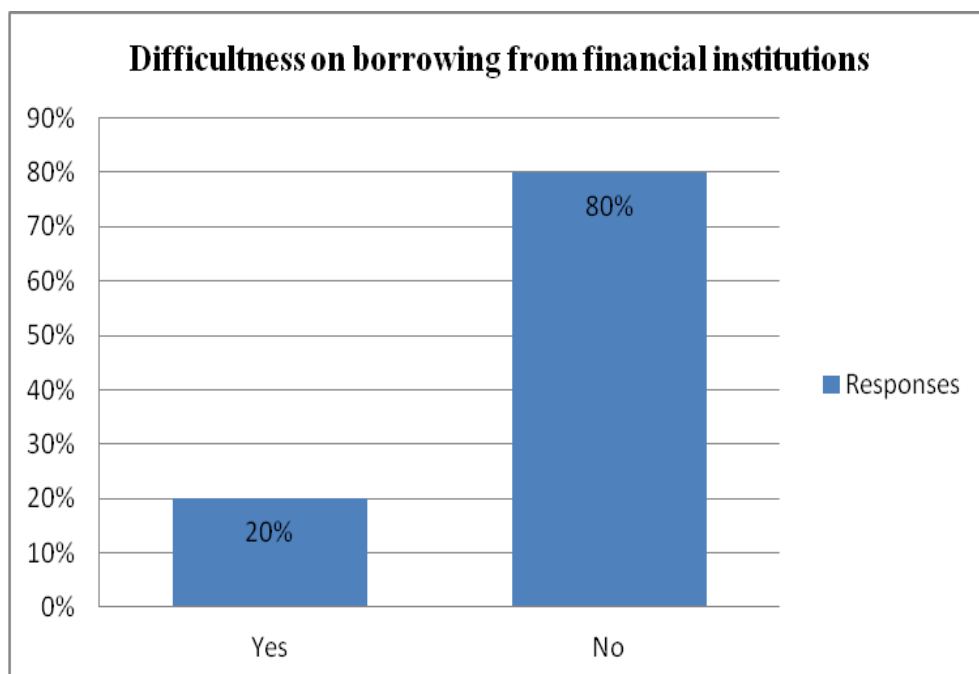
responding to this obstacle a large number of vendors representing 80% out of the sample taken revealed that the criteria set by MFIs they are not easy to fulfill them, so as to allow MFIs to advance loans to them. However, Table 4.3.9 and bar graph shown by figure 4.3.9 presented that only 20% of the food vendors responded that it was easy to meet borrowing procedures imposed to them by the MFIs.

Table 4.10 Difficultness on borrowing from financial institutions

Responses	Frequency	Percent
Yes	8	20.0
No	32	80.0
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.11 a bar graph showing difficultness on borrowing from financial institutions



Sources: Researcher field survey 2013

4.3.10 Interest rate on borrowing

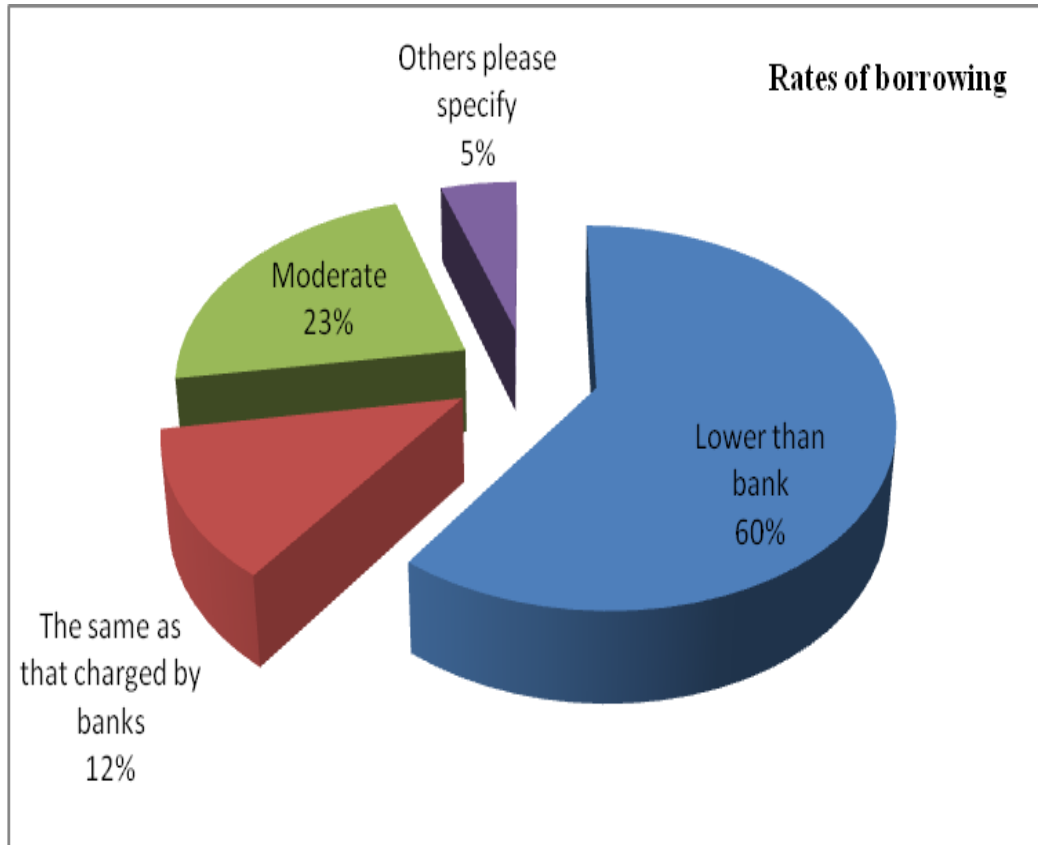
Apart from cumbersome procedures imposed on issuing loans to food vendors and collateral securities other factor which was thought to have limit street food vendors from accessing loans was interest rates posed by MFI. However, due to that tentative hypothesis researcher design a questionnaire to address this matter. The results from the survey show that majority of the respondents (60%) of the street food vendors responded that interest charged by MFIs was lower than those imposed by bank. However, 22.5% responded by agreeing that interest charged on loans by Micro-Finance Institutions are moderate whilst 12.5% of the respondents shows that borrowing rate charged on loans was the same as that charged by banks. This is an indication that MFIs offers lower borrowing rates compared to banks but they have harsh attitudes when it comes to the time of disbursing loans and collecting all dues. See table 4.3.10 and figure 4.3.10 below for detail clarifications.

Table 4.11 Borrowing rates charged by MFIs

Responses	Frequency	Percent
Lower than bank	24	60.0
The same as that charged by banks	5	12.5
Moderate	9	22.5
Others please specify	2	5.0
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.12 showing borrowing rates imposed by MFIs on street food vendors loans



Sources: Researcher field survey 2013

4.4 Management of Street Food Vending Business

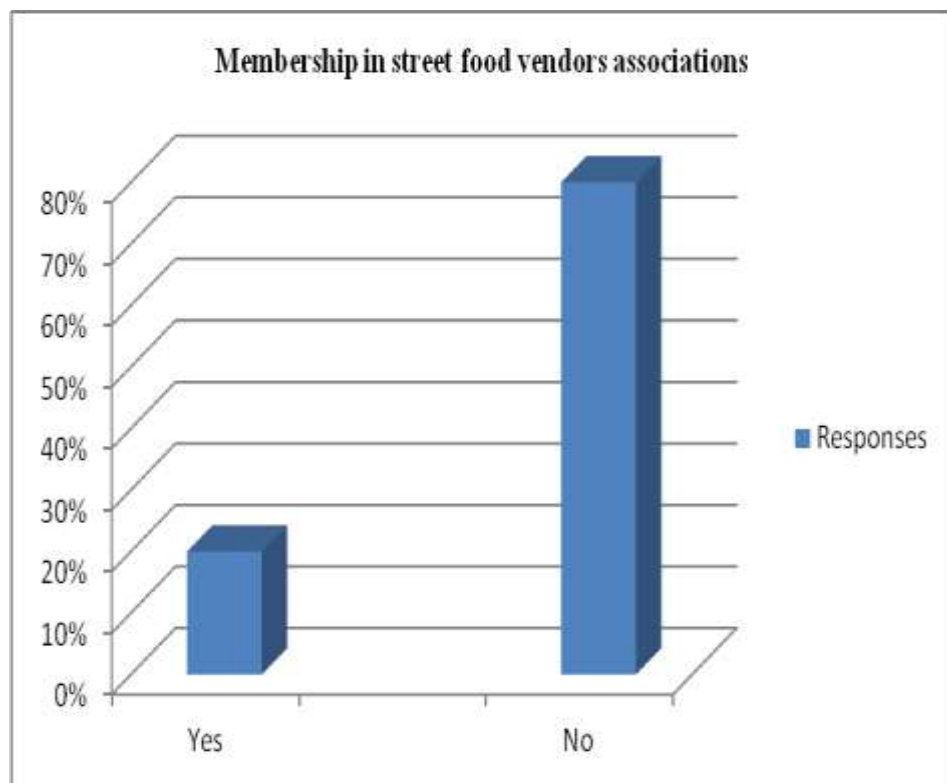
These findings helped the Researcher to get information about the third objective that is “To determine the extent to which street food vendors manage their business”

4.4.1 Forming membership of street food vendors in food Associations

Joining associations is a way street food vendors can channel their grievances to the right authorities as well as enjoy certain trade discounts and also support themselves financially. On the contrary, this seemed not to be the case since 80% of the street food vendors reported “No” when they were asked if they were members of any food association. The respondents who answered in this category mentioned that they are either not aware of the existence of this associations or do not know exactly what their functions are. Out of the sample size taken, 20% answered yes to being

members of the street food associations. This table addresses the third objective that suggests recommendations as to how the sector can be boosted. Therefore this question was asked to help set up food associations and co-operative unions to help boost the sector by channeling their grievances to the appropriate body. See bar graph represented by figure 4.4.1 below for further clarification

Figure 4.13 showing street food vendors associations



Sources: Researcher field survey 2013

4.4.2 Training sessions

Apart from issuing loans, Micro-Finance Institutions were organizing training sessions on managerial, entrepreneurial and basic book keeping skills to the street food vendors as responded by the majority of the street food vendors. Table 4.4.2 and bar graph presented by Figure 4.4.2 below shows that 50% of the street food vendors responded that apart from loans which they were receiving from Micro-Finance Institutions they were also receiving training on entrepreneurship which helps them in boosting up their business. 17.5% of the respondents agreed to have attended

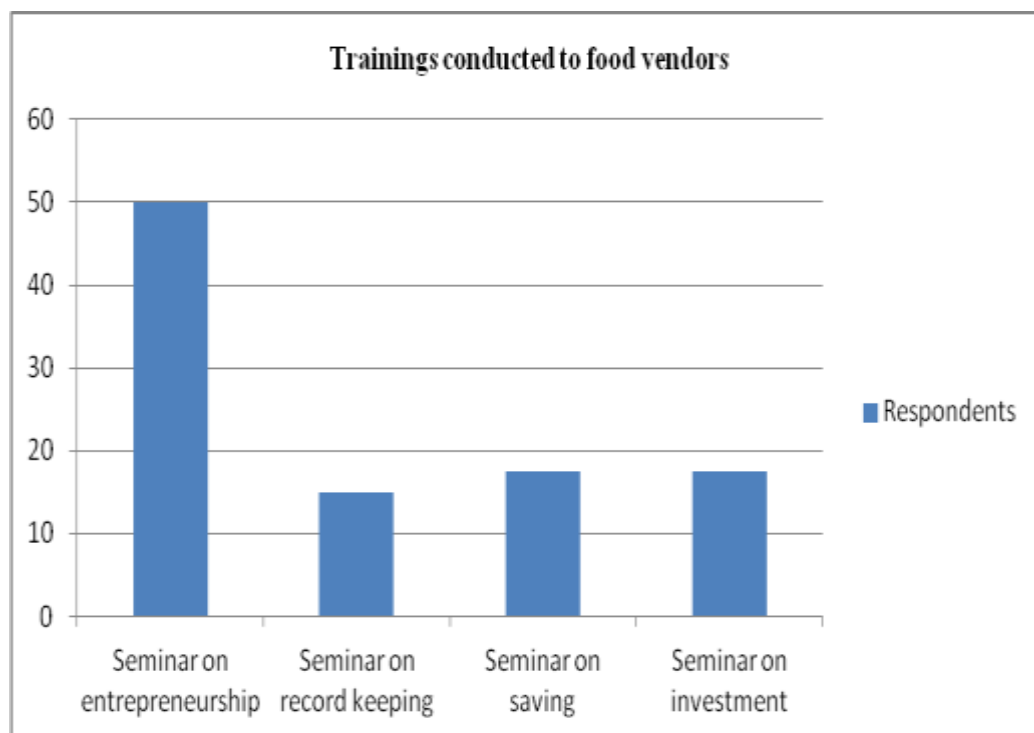
training on investments and savings. Only 15% of the street food vendors represented that they have attended training on managerial and accounting skills (i.e. basic record keeping skills). This part of analysis confirms that MFIs in Tanzania offers loans and various relevant training sessions to the street food vendors for those who take trouble in accessing funds from them.

Table 4.12 showing training conducted by MFIs

Responses	Frequency	Percent
Seminar on entrepreneurship	20	50.0
Seminar on record keeping	6	15.0
Seminar on saving	7	17.5
Seminar on investment	7	17.5
Total	40	100.0

Sources: Researcher field survey 2013

Figure 4.14 a bar graph showing trainings conducted by MFIs

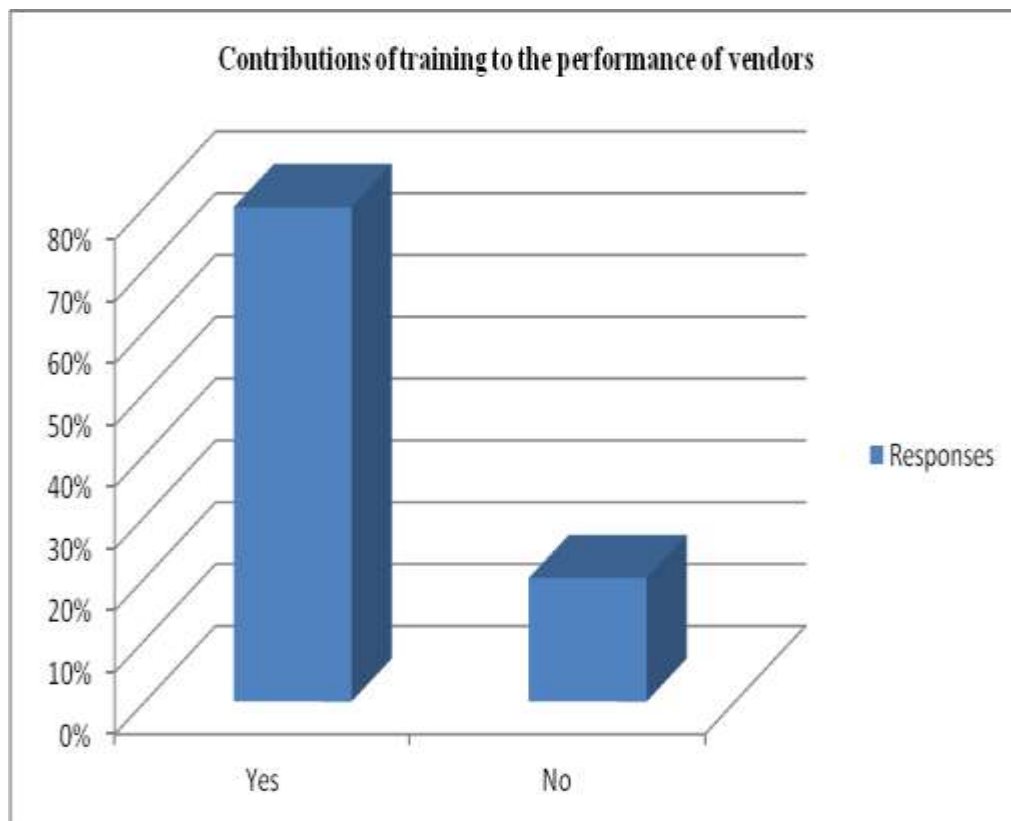


Sources: Researcher field survey 2013

4.4.3 Contribution of MFIs training to the growth of street food vendors sector

Business growth is a series of steps and process, all linked together in order to achieve pre-determined target. It should be clear to individuals, business owners and other stakeholders that loans is one of the factors which contributes to the growth of any business but also other factors should be considered too. Figure 4.4.3 shows that apart from loan, street food vendors were asked to indicate whether other services provided to them by the MFIs have contributed to the growth of their businesses. Results gathered shows that out of the total sample taken 80% of the food vendors responded, “Yes” meaning that other services provided to them contributed to their better performance and stimulates growth. However, only 20% of the food vendors reported, “No” when they were asked if other services provided by the MFIs have contributed in the growth of their business.

Figure 4.15 Contribution of training to the performance of food vendors



Sources: Researcher field survey 2013

4.5 Chapter summary

This chapter has discussed the implications of MFIs loans to street food vendors in Tanzania. The next chapter highlights the main findings, conclusions and recommendations.

CHAPTER FIVE

FINDINGS, CONCLUSION AND RECOMMENDATIONS

Introduction

This chapter outlines the findings, conclusions and recommendations drawn from the data collection process. Furthermore, the researcher also spells out the necessary recommendations that when given the needed attention will aid in improving the operations of the street food vendors in Tanzania.

5.1 Main findings and conclusions

The deductions from the research conducted confirm that the research topic is a justified one. This is because the findings demonstrate that most street food vendors have been in the system for a reasonable time and there is steady expansion of the sector in Tanzania. Also, some of the literatures reviewed were made evident in the findings gathered.

A finding that was discovered during the data collection process was that most of the street food vendors attributed their performance due to the loan which they were accessing from MFIs. Some street food vendors believe that Village community bank is the MFIs which help poor in reducing their poverty. Hence, it is their time to expand and leave behind poverty by accessing direct loans from these institutions.

Despite the fact that most of the street food vendors have been operating in this sector for a few number of years, they have realized expansions ideas. A majority of them believed that due to the opportunities of loans provided to them by banks and a Micro-finance institution it is their time to ensure that they are utilizing that golden chance by expanding the sector. They are not worry about the small amount of capital which they have been starting with because they believe that financial discipline is what matter in any business and not initial capital.

In addition, the street food vendors have positive perceptions about banks and microfinance businesses. They see the banks as businesses that are there to help them

in boosting their operations. This is because most of the respondents when asked whether they save or borrow with the bank give higher percentages on this matter.

Another success factor identified is that a large number of street food vendors reported significant amount of revenue.

5.2 Recommendations

5.2.1 Formation of food associations

Through the data collection process, majority of the street food vendors who were not members of any food associations expressed keen interest in joining such associations. This was due to the fact that the researcher enlightened them on the benefits they might derive from joining such associations. Some of the proposed potential benefits included in joining Food Associations are trade discounts received as a result of buying on a large scale, supporting each other financially, sharing work experiences with one another and providing useful advice to help boost their businesses. It is recommended the government will encourage the setting up co-operative unions to help in the formation of area food associations. This will go a long way in making their voice heard and also act as a platform to channel their grievances to the appropriate authorities for immediate actions.

5.2.2 Adequate capacity building in terms training

The street food vendors also expressed strong interest in undergoing a training session to help boost their business. The training sessions suggested by the researcher sought to address issues regarding, management of their businesses, accounting book keeping, investment options and development of entrepreneurial skills. Therefore, the government and other private entities should help in this regard by providing competent tutors to hold such seminars for them in order to boost the operations of the sector. Through the training sessions the food vendors would equip themselves with modern ways of managing their businesses and reaping enough profit to cater for their family, themselves and expand their businesses.

5.2.3 Designated permanent business premises/markets

A way that government could re-organize the sector is by building an appropriate market place for them since the sector contributes greatly to the live of the impoverished in the society. This is due to the fact that most of the vendors trade in very risky environment which is dangerous to their health and stifles their expansion. In re-organizing the sector, the work of the government agencies such as the Tanzania Revenue Authority, Dar es Salaam city municipality and Tanzania Investment center work will be made easy.

This is because there will be easy recognition which will help government recoup the taxes they have been suffering to collect from the street food vendors. Again, these market places should be built before sacking the vendors from where they are apparently operating. On the contrary, when such provisions are not made before carrying out any demolishing exercises the street food vendors in no time occupy the places again. By building a convenient market for the street food vendors, customers can easily make them out. This will help check the officials who disguise themselves by extorting money from the vendors. Again, the selling of food to buyers is made easy.

5.2.4 Provision of adequate credit from MFIs

This study shows that lack of adequate capital was among of the factors affecting performance of food vending activities in the study area. To offset this situation there is a need for both government and other stakeholders to ensure that street food vendors in the study area should be provided with enough credits from the MFIs.

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APPENDEX

Questionnaire

Hello,

My name is *Emiliana M. Malya*. I'm a student undertaking Master of Science in Accounting and Finance of Mzumbe University-Dar es salaam Campus College. I am conducting research on **poverty reduction of food vendors through microfinance institutions in Tanzania.**

Your response will be treated with most confidentiality and is only for the purpose of this study. I would be grateful if you could spend 15 minutes answering this questionnaire as accurately as you can.

Part one

Demographic characteristics of the respondents (*Circle one*)

- 1) Age of the respondent
 - a. Below 18 years old
 - b. 18-30 years old
 - c. Above 31 years old
- 2) Sex of the respondents
 - a. Male
 - b. Female
- 3) Highest qualification reached
 - a. Primary level
 - b. Secondary level
 - c. Advanced secondary
 - d. University/college level
 - e.

Part two: Business Information

- 4) What type of food vending do you own? Please check one:
 - a) Money

- b) Interested in vending
- c) Demanded or needed by customers
- 5) What type of food do you sold in Tanzania?
 - a) Roasted potatoes chips
 - b) Rice/beans/meat
 - c) Ugali/beans/meat/green vegetables
 - d) Chapatti/beans/meat
- 6) For how long have you been in this venture?
 - a. 1-6 years ()
 - b. 7-12 years ()
 - c. Above 12 ()
 - d. Others; specify
- 7) What was the startup capital? Please mention

.....

- 8) How did you generate it?
 - a. Own savings ()
 - b. Family shares ()
 - c. Gift ()
 - d. Borrowed capital ()
- 9) If borrowed please give the source:

.....

- 10) How many employees do you have in your business?
 - a. 1-5 employees
 - b. 5-10 employees
 - c. Above 10 employees

- 11) What is the current business turnover? Please mention

.....

12) Have you been a member of any food association in Tanzania

a) Yes

b) No

Part three : Micro finance institution information

13) For how long have you access micro finance institution loans? Indicate the years.....

14) Have you ever applied for a loan (“borrowed capital”) to finance your business?

a. Yes () b. No ()

15) If yes in question 12 above where?

a. Micro Finance Institution () name it.....

b. Bank () Name the bank.....

c. Others () specify:

16) How many times have you applied for the loan?

a. 1 time ()

b. 2 times ()

c. 3 times ()

d. 4 and above ()

e. Others () specify.....

17) Was it easy to be given a loan?

a. Yes ()

b. No ()

If your answer in question 15 above is no, please specify why:

.....

....

.....

.....

18) What criteria does the MFI’s use to offer loans?

.....

.....

19) Are the criteria easy to be met?

a. Yes ()

b. No ()

20) If you have had problems in paying back the loan, what has happened to resolve them?

a. Yes ()

b. No ()

21) If yes how did you finally pay it?

.....
.....
.....
.....

22) What do you think about the interest rates charged by the MFIs? Please explain

a. Lower than bank

b. The same as that charged by banks

c. Moderate

d. Higher than banks

e. Others please specify

.....
.....
.....

23) What other services do you get apart from loans provided by MFI? Please list them below:

.....
.....
.....
.....

24) Apart from loan, do you think other services provided by the MFIs have contributed in the growth of your business?

a. Yes ()

b. No ()

25) If yes in question 22 above how do other services contributed the growth of your business?

.....
.....
.....
.....

26) Do you or can you conclude that Micro finance institutions has helped you in developing your business?

a. Yes ()

b. No ()

27) Explain why?

.....
.....
.....
.....

Appendix ii

Kielelezo Na.1

Dodoso

Habari,

Jina langu ni *Emiliana M. Malya*, mwanafunzi wa Shahada ya Uzamili wa masomo ya Sayansi ya Mahesabu Chuo Kikuu cha Mzumbe- Kampasi ya Dar es Salaam. Ninafanya utafiti kuhusiana na **Taasisi za Fedha na mikopo midogomidogo na Punguzo la Umasikini kwa Mama/Baba Lishe nchini Tanzania.**

Taarifa zitakazotolewa zitatumizwa kwa siri kubwa na zitatumika kwa ajili ya masomo na sivinginevyo.. Unaombwa kutumia dakika 15 kujibu maswali yote kadiri ya uelewa na mtazamo wako katika utafiti huu.

Sehemu I: Maelezo ya awali kuhusu mshiriki (Tafadhali weka ✓)

1. Umri (a) Chiani ya miaka 18 () (b) Kati ya miaka 18-30 () (c) zaidi ya Miaka 31 ()
2. Jinsia (a) Mme () (b) Mke ()
3. Mahusiano kindoa (i) Sijaolewa/oa () (ii) Nimeolewa/oa () (iii) Tumetengana () (iv) Mjane ()
4. Kiwango cha elimu (i) Sijapata Elimu ya darasani () (ii) Elimu ya Msingi () (iii) Elimu ya Sekondari () (iv) Elimu ya Diploma () (vi) Elimu ya Chuo Kikuu ()

Sehemu ya Pili: Taarifa za Biashara

1. Je, unamiliki aina gani ya biashara? Tafadhali taja:
.....
.....
.....

2. Kwa kipindi gani umekua ukifanya biashara hii?

e. Kati ya mwaka 1 hadi 6 ()

f. Kati ya Miaka 7 hadi 12 ()

- g. Zaidi ya miaka 12 ()
- h. Nyinginezo: Taja.....
3. Je, ulianza na mtaji kiasi gani? Tafadhali taja hapo chini
-
-
4. Je, mtaji huo ulipatikana vipi?
- e. Akiba binafsi ()
- f. Mchango wa familia ()
- g. Zawadi ()
- h. Mkopo ()
5. Iwapo ulikopa, tafadhali taja sehemu ulipokopa:
-
-
6. Una wasaidizi/wafanyakazi wangapi kwenye biashara yako?
- a. Kati ya mfanyakazi mmoja mpaka watano
- b. Wafanyakazi 5 mpaka 10
- c. Zaidi ya wafanyakazi 10
7. Je, unapata mapato kiasi gani kutokana na biashara hii? Taja tafadhali
-

Sehemu ya Tatu : Taarifa za Taasisi za Fedha

8. Je, umewahi kupata huduma za mikopo kutoka Taasisi za fedha kwa ajili ya Biashara yako? a. Ndio () b. Hapana ()
9. Iwapo ni Ndio, tafadhali taja Taasisi hiyo
- a. Taasisi ya Mikopo midogo midogo () Itaje.....
- b. Benki () Taja jina la benki.....
- c. Nyinginezo () Zitaje:

10. Ni kwa muda gani umekua ukipata huduma za mikopo kutoka taasisi za fedha? Taja miaka.....

11. Ni mara ngapi umefanikiwa kupata mikopo kutoka kwenye taasisi za fedha?

- a. Mara moja ()
- b. Mara mbili ()
- c. Mara tatu ()
- d. Mara nne na zaidi ()
- e. Nyinginezo () Zitaje:.....

12. Je ilikua ni rahisi kupata mkopo?

- a. Ndio ()
- b. Hapana ()

13. Kama jibu ni Hapana hapo juu, tafadhali taja sababu zilizokufanya usifanikiwe kupata mkopo kirahisi.

.....
.....
.....
.....

14. Je ni vigezo gani Taasisi za mikopo wanazingatia katika kutoa mikopo?

.....
.....
.....

15. Je, vigezo hivyo ni rahisi kuvifikia?

- a. Ndio ()
- b. Hapana ()

16. Je umewahi kushindwa kutimiza masharti ya marejesho ya mkopo uliochukua?

- a. Ndio ()
- b. Hapana ()

17. Kama ni ndio, ulitumia njia gani kufanya marejesho ya mkopo?

.....

18. Je, unaweza kusema vipi kuhusiana na riba zinazotozwa na taasisi za mikopo nchini?

- a. Riba ni kidogo ukilinganisha na mabanki
- b. Riba ni sawa na zinazotozwa na mabanki
- c. Wastani
- d. Riba kubwa kuliko mabanki
- e. Nyinginezo: zitaje

.....

19. Zaidi ya mikopo, je ni huduma gani ambazo unazipata kutoka taasisi za mikopo? Tafadhali zitaje hapo chini:

.....

20. Zaidi ya mkopo: Je, unadhani huduma hizo zimesaidia katika ukuaji wa biashara yako?

- a. Ndio ()
- b. Hapana ()

21. Kama ni Ndio hapo juu, Je, ni kwa vipi huduma hizo zimekusaidia katika ukuaji wa biashara yako?

.....

.....
.....

22. Je, unathibitisha kua taasisi za mikopo midogo midogo zimekusaidia katika maendeleo ya biashara yako?

- a. Ndio ()
- b. Hapana ()

23. Elezea _____ kwa _____ vipi?

.....
.....
.....

NASHUKURU KWA USHIRIKIANO WAKO.