CONSTRAINTS FACED BY WOMEN OWNED SMALL AND MEDIUM ENTERPRISES (SMEs) IN TANZANIA: A CASE OF ILALA DISTRICT

By

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a thesis entitled; **"CONSTRAINTS FACED BY WOMEN OWNED SMALL AND MEDIUM ENTERPRISES (SMEs) IN TANZANIA: A CASE OF ILALA DISTRICT",** in a partial fulfilment of the requirements for award of the Executive Masters degree of Business Administration in corporate Management (Exe-MBA) of Mzumbe University

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DECLARATION AND COPYRIGHT

I, **Irene K.Kiwia,** I do declare that this dissertation is my own work and that it has not been presented and will not be submitted to any other university for a similar or any other degree award.

Signature ___________________________

Date _______________________________

DEDICATION

I dedicate this work to my young brother Jimmyson Kiwia who passed away before finishing his first degree,he had so much passion for learning which made me work so hard to achieve this, my family and much more to Almighty God, for protection and guidance during the entire course and throughout my life.

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ABSTRACT

The study was carried out to assess constraints faced by women owned small and medium enterprises (SMEs) in Tanzania,A case of Ilala district. The study was guided by three specific objectives which were assessing individual characteristics constraining Women owned SMEs in Ilala District , examining business factors constraining Women owned SMEs in Ilala District and exploring the policy factors constraints oriented to Women owned SMEs in Ilala District. This study was a case study type. In this study the population of women SMEs from Ilala district were employed as the key respondents. The study involved a sample size of 96 respondents.The research used purposive sampling technique and convenient in obtaining the sample size. Using these methods in sampling were good so as to ensure equal participation of different type of respondents to make the study more reliable and valid.In this study, data was collected through questionnaires and interviews only. Also both qualitative and quantitative approaches were used in data presentation . The findings shows that on the individual constraints most of Women owned SMEs have little experience on business , which affects the flow and management of the business. Also it has been evidenced that most of entrepreneurs have no financial management education, booking keeping and economics, This directly affects business management. lastly under the individual factors it has been found that support from the spouse is also a factor affecting women owned SMEs. Moreover on the study shows that there are a number of business factors which affect women owned SMEs. Like nature of the business is one of the factors , it has been found most of the business are high risk business and are slow moving business which leads to little money circulation in business as the result leads to business failure. Also little profit margins leads to poor bunisness perfomance. The findings on the policy factors constrain women owned SMEs found that the high interest charges are perceived as a burden for entrepreneurs hence failure of women owned SMEs. Furthermore the economic instability of the country is also a problem caused by low money supply coupled with high inflation rate. Financial institutions in Tanzania should ensure that there is enough training on financial management . Entrepreneurs should be allowed to attend seminars in order to stay up dated with any changes made.

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CHAPTER ONE

PROBLEM SETTING

1.1 Introduction

This chapter presents the general introduction of the study, by showing the historical perspective of SMEs in different parts of the world, Africa and Tanzania. Moreover, this chapter shows clearly the problem of the study, research questions, research objectives, the rationale of the study and organizations of the study.

1.2 Background information

A small to mid-size enterprise (SME) is a business that maintains revenues, assets, or number of employees below a certain level. The criteria for determining an SME varies among countries and industries.For example, in the European Union (EU) a business with fewer than 250 employees is considered an SME, (Adebusuyi, 2013) while in the United States an SME has fewer than 500 employees (Jope, 2017). Small and medium enterprises (SMEs) helps to achieve sustainable growth as a centralized theme. SMEs play a vital role in the country's overall production networks and they are core to the economic growth of developing countries. The contributions of formal SMEs are 50% of total employment and 33% of the national income of emerging economiesWhile including informal SMEs the percentages will be increased (Aruwa, 2013).

Globally, SMEs contribute to growth of national economy, in the United States of America (USA) SMEs contribute to national economy by 45%. Also, SMEs create employment opportunities to the Americans. In USA most of SMEs are owned by women. Also many SMEs are small in size (Nkonoki, 2012).

In United Kingdom, SMEs have highly created employment. It has been found that 32% of the SMEs are owned by women, whereas most of women who own SMEs are widows and less educated, this is due to the fact that they need to care of their families mostly children. While most educated women are employeed in government offices or private firms(Aruwa, 2013). Most of the Small enterprises are characterized by few number of employees probably two to four employees and low capital, they mostly have financial support from their friends and relatives (Moses, 2010).

One of the countries in which its economic growth highly depends of SMEs is China, over 46% of its population are SMEs owners. Many businesses that are conducted in China by SMEs owner are clothes, plastic materials, food as well as cosmetics. However, it has been noted that a good number of SMEs owners are female. China has set favorable policies that favor women to be entrepreneurs such as easy accessibility of financial facilities (Kilo, 2014).

Africa has experienced high growth of SMEs as many parts of the world as well, such as is South Africa , Nigeria , Ghana and Tanzania . In South Africa, there are high number of SMEs, SMEs in South Africa contribute to the Gross Domestic Product (GDP) by 23%. However,very few number of SMEs are owned by women. It has been found that most of women have little access of capital, and are marginalized from conducting any kind of business (Kilo,2014).

One of the countries that has highly mushroomed in enreprebeurial ventures in Africa is Nigeria, due to high level of unemployment, most of people have decided to be involved in SMEs. There are number of SMEs that are owned by women , however, SMEs owned by women are faced with number of challenges such as been discriminated, ignored and taken for granted. on top that of that most women are not paid thoroughly hence regarded to be weak (Chivara, 2012), one of the women enterprener who sold food argued that one may order for food but may refuse to make payments upon finishing eating knowing that the lady wont do anything. The Nigerian government has not set better policies that favour women owned SMEs (Kibacho 2014).

In Rwanda a good number of SMEs have flourished, the government has encouraged its citizens to take risks and chances in doing business so as they can increase their individual income. However, in Rwanda there are more women owned SMEs due to the facet fact that high number of Rwanda's population are women. Moreover, the government has highly influenced women by setting good policies that are friendly to women to own their SMEs (Moses, 2010).

In Kenya , women owned SMEs are 3 to 5% only. The women owned SMEs are very few characterised by low capital, lack financial accessibility, high tax rates, high competition, lack of marketing information, high bribery, bureaucracy, Complex business registration process (Ojjo, 2015). Tanzania is not far from Kenya, there are very few women owned SMEs. Most of SMEs are owned by men due to the fact that most of Tanzanian taboos do not allow women to be engaged in business, it is believed that women are to be only house wives (Qorro, 2012).

1.3 Statement of The Problem

Tomlin, (2015) argues that women entrepreneurs have significant contribution to the growth of economy individuals, families, societies and the nation at large. If women are given chances to lead or to operate business will make sure that her family is well benefited and the nation too (Geo,2015).

There is an argument in literature about the lack of financial resources as one of the major constraints faced by women entrepreneurs in developing countries (Cook, 2001). According to Thampy (2010), debt finance is difficult to avail because there is a general perception that entrepreneurs belong to the high risk credit category. This is because of lack of tangible collateral and lack of track record of entrepreneurs. This problem is magnified due to information asymmetries between the bank and the entrepreneur. The problem is further aggravated in the absence of mature capital markets, it becomes difficult for women entrepreneurs to raise equity capital.

According to Kikula (2018) indicates that the biggest challenges that women entrepreneurs faced when trying to manage their entrepreneurial ventures for both starting up and developing their own business activities were lack of capital and unreliable markets for their services and products. Jeo,.(2016) showed that the problems facing women owned business have been existing for many years, however today we witness more women who are involved in enterprenuership but there is no clear understating if the problems do exist or not.

Also, women owned SMEs have been opened at the rate of 6% per annum surprising the 4% of them have been collapsing within a year only(BRELA, report. 2016). There are number of factors that have been associated with the collapse of women owned SMEs, this include individual factors such as age, education, marital status, level of education, experience in Business and support from the spouse. However, there is no clear understanding on how does such factors affect the growth of women owned SMEs in Tanzania particularly Ilala District. Also, due to different factors women owned SMEs have been unstable and therefore collapsing shortly, therefore, it is upon this problem ,that the researcher intends to assess the constrains facing women owned SMEs in Tanzania. A case of Ilala District.

1.4 General Objective of the Study

- To assess constraints faced by women owned small and medium enterprises (SMEs) in Tanzania: A case of Ilala district

1.4.1 Specific Objectives

i. To assess individual/ personal characteristics constraining Women owned SMEs in Ilala District

ii. To examine business factors constraining Women owned SMEs in Ilala District

iii. To explore the policy factors constraining Women owned SMEs in Ilala District

1.4.2 Research Questions

i. How does the individual/ personal characteristics constraining women owned SMEs inIlala District ?
ii. How does the business factors constraining women owned SMEs in Ilala District ?
iii. How does the policy factors constraining Women owned SMEs in Ilala District ?

1.5 Significance of the Study

This study hopefully provides the basis upon which the factors that affect the performance of women owned SMEs will be determined leading to improved performance in Tanzania and hence creating effective strategy and policy towards women owned SMEs. The study further will help in formulating the relevant strategies women owned SMEs so as proper rules , policies and regulations will be formulated to favour women owned business.

The findings of this study will be helpful to other researchers interested in carrying out similar research. The study is significance in a sense that its completion will lead to the attainment of MBA degree to the author.

1.6 Scope of the Study

Geographically, this study was conducted in Ilala District, theoretically the study looked on the constraints facing women owned entrepreneurs.Specifically , the study covered on individual factors, business factors and policy factors constraining women owned entrepreneurs.

1.7 Limitations of the study

Any restrictions that may impact the outcomes ought to be specified. In any study, limitations are inevitable, but most importantly the researcher will successfully handle such limitations in order to achieve the objectives of the study. The following are limitations that the researcher have encounter in the study;

Being a case study, more time was needed in order to study the entire unit in details so as to grasp required data. Time provided was not enough due to fact that a researcher has also to attend other daily activities as per institution schedule.

Some of the information needed by this research had negative implications to the respective firms. There was the possibility of some respondents not to provide support in terms of providing necessary data.

1.8 Organization of the Study

This report has six chapters. The first part of the report is chapter one which shows the entire introduction of the study, by showing the historical perspective of the study which shows the general evolution of SMEs in different parts of the world such as USA, China, Egypt, Kenya, Uganda and Tanzania. Also, statement of the problem, objectives of the study, research questions, significance of the study as well as scope and organization of the study. Chapter two presents the theoretical literature review which shows the definition of key terms, theoretical framework, empirical literature review, research gap and conceptual framework. Also, chapter three presents methodologies which were adopted in executing this study. Various methods have been presented and how the methods were utilized. The forth chapter presents the findings of the study. The last chapter presents the conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

A review of different concepts and ideas that are related to the study objectives are presented in this chapter. The chapter presents general conceptual arguments from different authors so as to give a clear understanding of the study. This will help to determine the direction of the study.

2.2 Theoretical Literature Review

2.2.1 Definition of Key Terms

The key terms that are defined in this study are women owned enterprises and SMEs. The terms will be defined so as to have a specific awareness of the terms as they are referred in this study.

2.2.2 The concept of SMEs

The concept of SMEs is dynamic and relative. It has been noted that the meaning of SMEs does change over the period of time and the development of a country. There is no one clear definition of SMEs in which is universally recognized. Every country has its own definition with the regards of the roles SMEs performs in the economy. Different definitions from different countries originate from industrial organizations but at different levels of development (Sule, 2016).

Before the year 1992, different organizations in Tanzania have been using definitions of SMEs. The institutions which offered definitions of SMEs were National Council of Industry (NCI), the Ministry of finance, BOT, national Associations of SMEs center for industrial research and development and National economic reconstruction fund (Aruwa, 2017).

Small size SMEs are defined as businesses with fixed assets above1 million TZS but not above10 million TZS but land and working capital are not included. Whereas the medium size SMEs are those ones which have fixed assets with capital of more than 10 million TZS but not more than 40 million TZS (Evans and McKee2015).

SMEs are attributed by lack of enough capital and easy management structures, due to the nature of ownership being mostly by one person (Sule, 2016). SMEs always tend to be mostly based on owner - managers, but not on management based. Therefore, decisions are mostly made depending on one person. (Adebusuyi, 2015).
SMEs have been highly attributed as one of the factors that drive the economic development of a nation. In most developing countries like Tanzania, there is high interest in encouraging the development of SMEs due to a number of reasons which include efficient use of resources, employment creation, mobilization of domestic savings for investments, encouragement, expansion and development of indigenous entrepreneurship and technology as well as income distribution, among others (Anderson, 2012).

Each country in the world describes SMEs in its own different ways, In Tanzania SMEs are defined with regard to the Tanzania's SMEs policies which hold that SMEs include micro to medium size enterprise, Micro enterprise is the business which mostly engage up to 4 employees who are mostly family members with the business capital of up to 5 million TZS. (URT, 2003). Small enterprises are mostly formalized undertaking engaging between 5 to 49 employees with capital investments from 5million TZS to 200million TZS and Medium enterprises engage 50 to 99 employees with the capital from 200 million to 800 million.

Table 2.1 Category of SMEs development

Category	Employees	Capital Investment
Micro Enterprises	1—4	Up to 5million
Small Enterprises	5—49	Above 5mill to 200million
Medium Enterprises	50—99	Above 200million to 800million
Large Enterprises	More than 100	Above 800million

Source: URT, (2003) Small and Medium Enterprises (SMEs) Policy.

2.2.3 Women Owned SMEs

These are kind of SMEs which are being owned by women. The involvement of women in entrepreneurship and small businesses includes co-entrepreneurship, as well as women as sole, or majority, owners. With regard to their economic role, some women are contributing through setting up new activities to the economy, which is a factor influencing economic development especially in centrally-planned economies. Moreover, they provide employment and income possibilities for both themselves and for others, thereby contributing to greater social inclusion(Kibacho, 2015)

2.2.2.1 Opportunity-Based Theory by Murphy, (1987)

Drucker (2017) holds that SMEs or entrepreneurs always excel or develop by looking and utilizing opportunities that have set out through social change, technological and cultural changes. For instance an entrepreneur may identify there is a need for a restaurant in his or her social setting, if the entrepreneur takes the opportunity for creating profit then there is application of opportunity based theory.

Also, the theory holds that women have a better chance of being involved in business. Women entrepreneurs also contribute to social change and to alleviating some of the negative effects of transformation, through offering positive role models and adding to a more positive image of (women) private entrepreneurship. The participation of women in economic activities has not only resulted in the productive use of labour, but also contributed to improving the quality of life for women entrepreneurs and their households. With regard to the social roles of female entrepreneurs, their main contribution is in terms of creating job opportunities. Typically, women entrepreneurs are more likely to employ women, thus providing jobs not only for themselves but for other women, which helps to reduce the effect of discrimination against women in the labor market. In addition, reducing female unemployment assists in fighting women trafficking. Finally, female entrepreneurs serve as role models for the younger generations, demonstrating new employment (self-employment) opportunities.

This theory was used in bringing up argument and how far does women owned SMEs influence development in societies. Also, the theory was used to bring constructive ideas on the major challenges that face women Owned SMEs in Tanzanian context .

2.2.3 Individual Factors Constraining women Owned SMEs

According to Kipe, (2016) argued there are number of individuals that may be affecting or constraining women owned SMEs such as, age of the women, marital status, level of education, experience in the business and support from the spouse and wearing of many huts as a mother and a business women.

2.2.3.1 Women's Age constraining women Owned SMEs

Age is among factors that affect women owned SMEs, it is believed that young or immaturity of the women is among the factors that may hinder women from being successful in business. It was found that most of women who are young have no the needed exposure in the business as well as lack of experience in business (Mwaga, 2014).

Moreover, too old age of women may be inhabiting factor in running business successful. Most of old age women have no power or the needed energy so as to run the business well. Business needs both experience and energy to so as to move from place to place to search for inputs such as resources for the business, to look for markets and to search for networking. Therefore too old age can also affect women from effective participation in the business (Mambula, 2013).

2.2.3.2 Level of education constraining women Owned SMEs

Nkonoki (2012) education is among the key factors that leads to successful business operation.Well educated business owners have the knowledge in business management, business plan, knowledge in financial matters such accounting and budgeting. Also, education can facilitate business owners in records management as well as marketing.

Nkonoki (2012) argues that most of African women have no high education level on business management, hence have limited knowledge on business operations. Therefore most of business operated by women do fail due to lack of needed education on business.

2.2.3.3 Marital Status constraining women Owned SMEs

One of the individual factors that constraints women Owned SMEs is marital status, Most of married women are restricted from business participation, they are forced to be wife materials to stay home and take care of the family only. Also, married women are restricted from owning business hence all of the properties are owned by their husbands only (Ojjo, 2015).

2.2.3.4 Experience In The Business constraining women Owned SMEs

Experience is among the factors can lead to successful business or failure of the business. Well and long time experience is the key factor for successful business. Hence long experience will lead business owners to be knowledgeable about the business risk and opportunities. Also, it give the owner tricks of the market and it provides knowledge about the business as well as tricks of the their competitors.

Moreover, experience in business gives owners networking thus connecting them with suppliers, creditors, other businessmen and women. Therefore, having low experience will lead to failure of the business(Qorro, 2012).

2.2.3.4 Support from the Spouse

Gideon (2014) argues that the individual factor constraining women owned business is lack of support from spouses. Most of women who have engaged themselves in business face one major challenge being not supported by their spouses not financial or even mere advice as the result they become alcoholic by spending the business financial resources.

2.2.3.5 Wearing ManyHuts

Women in most African countries have a number of roles such as being a mother, a wife as well as taking care of the family. So women to be business owners, they need to devote much of their time concentrating in business so as to master it well. If a woman is vested with a number of tasks such taking care of the family may lose time of doing business effectively. Think of a women who runs a business in the city center needs to be back home early so as to have any ample chance to cook for the family.

2.2.4 Business Factors Constraining Women Owned SMES

There are number of business factors that have been affecting women owned SMEs such as business age, business risk and nature of business as well as profit margins. The section below show a number of business factors;

2.2.4.1 Business Age

One of the factors that challenge business is business age, age of the business has significant contribution to the success or failure of the business. If the age of the business is very young then it will eventually face a number of challenges such as lack of trust from creditors and suppliers. Also young business have lack of networking. However, if the business is old enough it has big chance of success(Kaplan, 2015).

2.2.4.2 Business Risk

Business risk is the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.Anything that threatens a company's ability to meet its target or achieve its financial goals is called business risk. These risks come from a variety of sources, so it's not always the company head or a manager who's to blame. Instead, the risks may come from other sources within the firm or they may be external—from regulations to the overall economy.While a company may not be able to shelter itself from risk completely, there are ways it can help protect itself from the effects of business risk, primarily by adopting a risk management strategy (Kibacho2014).

Business risk is associated with the overall operation of a business entity. These are things that impair its ability to provide investors and stakeholders with adequate returns. For example, a business manager may make certain decisions that affect its profits or he may not anticipate certain events in the future, causing the business to incur losses or fail (Mambula, 2013).

Business risk is influenced by a number of different factors including:

- Consumer preferences, demand, and sales volumes
- Per-unit price and input costs
- Competition
- The overall economic climate
- Government regulations

The company is also exposed to financial risk, liquidity risk, systematic risk, exchange-rate risk, and country-specific risk. These make it increasingly important to minimize business risk.

2.2.4.3 Nature of the Business

The nature of business refers to the overall activities of a company in their quest to create, market, and sell a service or a product. Essentially, the main focus for what a company does in a particular sector or industry is known as that company's nature of business. Some of business are very risk , some of the business are very fast moving business and some are are very slow, therefore the nature of the business will affect the business owned by women (Moses, 2010).

2.2.5 Policy factors constraints oriented to Women owned SMEs

Macroeconomic variables such as national income, inflation and interest rates affect the performance of loans directly. The uncertainty in the domestic economy may lead to capital flight, liquidity crises, and increases in the cost of funds for financial institutions. Interventions may be based on political motives. Unprofitable special programs are often imposed on banks owned by the government. Interest payments are often remitted or loans are written off for political reasons and may create a culture of default (Khandker, 2018). Direct interventions should be implemented either to address specific market failures or to reduce poverty; furthermore, the effectiveness of the intervention should always be measured against the Objective (Yaron, et al., 2017).

2.2.5.1 Interest Rate

The majority of the business owners who fails, the high interest rates imposed was the main reason mentioned. In this instance, financial institutions should impose reasonable and competitive interest rates to ensure effective repayment. In most cases, high interest rates discourage business to grow in the sense that a big part of the profit generated goes back to the financial institution to service the loan that was once given to the borrower. It is of essence that small business enterprises need to transform into becoming medium business enterprises and finally large business enterprises in order to enjoy both easy loan acquisitions from the financial institutions and economies of scale(Mwaga, 2014).

2.2.5.2 Profit Margin

Fundamentally, profit margin is an indicator of business growth. For the business firm to be effective, it requires an assured profit earned. If the profit margin is too small therefore the growth of the business owned by women will be very low. (Ojjo, 2015).

2.2.5.3 Taxes

A corporate tax or business tax is charged on the profits a company makes. Corporate Tax is similar to Income Tax but for companies, meaning that as soon as your business starts making a profit, it needs to start paying Corporate Tax at the correct rate.Business taxation affects a business's costs. For example, a rise in corparate tax has the same effect as an increase in costs which can lead to raised prices within the business. Other business taxes include environmental taxes such as landfill tax, and VAT (value-added tax) (Qorro, 2012).

2.2.5.4 Impact of the Legal and Policy Framework

As of not long ago, ladies business people confronted solid boundaries to big business improvement in the overarching laws and guidelines. Getting licenses, enrolling the business in their own name, and applying for advances were bad dreams they needed to live with.

It is in this way contended an energy about sexual orientation issue is significant when considering systems to improve Africa's intensity on the planet and approaches to advance private-segment improvement. There are three principle reasons why sexual orientation matters ought to viably be thought of.

In the first place, ladies are significant players in the private division, especially in horticulture and in casual business. It is evaluated that ladies possessed business represents over one third of everything being equal, and most of business are in the casual part, especially in African nations.

Second, the capacity of ladies to formalize and develop their business, to make occupations, and to upgrade profitability is hampered where lawful and institutional of obstructions exist, which influence people's endeavors in an unexpected way.

Third, there is proof, particularly of the miniaturized scale level, to show that sex inconsistencies weakness ladies as well as decrease the development capability of the locale in general. The reality presence of sexual orientation related hindrance can upset the financial capability of ladies as business visionaries and laborers, and such hindrances have an unfavorable effect on big business advancement, profitability, and seriousness in Africa. Thus, tending to sexual orientation explicit hindrances to business and leveling the full investment of the two people in the improvement of African' private division together speak to huge chance to release Africa's profitable potential and to fortify financial development. Legitimate and administrative condition is a center component in the venture atmosphere, and is additionally basic for seriousness.

In specific, property right, work laws, individual security, the presentation of the legal executive, what's more, the time and cost required to enlist, permit and work a business all effect seriousness and the dynamism of the private sector.ILO(2002) This center component influences people in an unexpected way, especially on the grounds that in numerous African social orders laws and customs obstruct ladies to a more noteworthy degree than men in acquiring credit, profitable data sources, instruction, preparing, spatial versatility and data.

Expected to begin and work business. Despite the fact that now and again there might be sexual orientation explicit legitimate and authoritative obstructions, generally, the administrative condition will be "sexually impartial" on a basic level, however with potentially sex separated results by, For instance, ladies might be less capable than men to manage the cost of long and far reaching enlistment makers, therefore, ladies might be more drawback than men in firing up and overseeing ventures.

Further, ILO (2001) contends that a large portion of the laws and guideline influencing business (counting authorizing techniques) were intended for moderately enormous endeavors and are along these lines past the scope of most private venture, especially the small scale undertakings, which are dominatingly possessed by ladies, also, defilement and organization exacerbate the situation particularly for ladies, who don't have indistinguishable open doors from men to meet and arrange (pay off) with prevalently male open authorities. The UDEC (2002) report communicated awe that any ladies in the casual economy figured out how to accomplish the change to a conventional endeavor in such a troublesome condition. It is presently progressively perceived that the little and Medium Enterprises (SMEs) play a vital job in business creation and pay age in Tanzania . SMEs all over the world and in Tanzania specifically, can be effortlessly settled since their necessities as far as capital, innovation the executives and even utilities are not as requesting as it is the situation for bigger undertakings. These ventures can likewise be built up in 'country settings and in this manner and incentive to the agro items and at the equivalent time encourage the removal of endeavors. Without a doubt SMEs improvement is intently related with increasingly fair dispersion of salary and significant as respect neediness easing. Simultaneously, SMEs fills in concerning developing business visionaries. UNIDO(19980)

In Tanzania, the maximum capacity of the SMEs area presently can't seem to 'be tapped due to the presence of various imperatives hampering the improvement of the area. They include: troublesome legitimate and administrative system, lacking foundation, poor business advancement administrations, and constrained access of SMEs to back, in powerful and inadequately organized institutional help structure .

It is therefore that this SMEs Developed approach was defined in order to address the requirements and to tap the maximum capacity of the segment, especially appointed and piecemeal measures will at that point be supported with maintainable, incorporated and composed intercessions. This arrangement will fill in as quid lines to all partners and consequently animate new ventures to be set up and existing ones to develop and turn out to be more serious.

2.2.5.6 Impact of Socio-Cultural Issues

In spite of the fact that fairness everything being equal, people, is ensured by constitutions of most nations, in actuality, ladies are regularly viewed as second rate compared to men. Further, customarily, the obligations of people contrast. Ladies are characteristically observed and expected to do family unit tasks, and in this way different exercises, especially their autonomous financial exercises, face a lot of obstruction, particularly when done a long way from their home spots.

Enterprising conduct is a result of natural elements including social and conventional qualities and preferences (EI-Namaki et al, 1988,; El-Namaki, 1990; Rutashobya, 1995). In most, ladies have been associated to be subordinates to men, in numerous conventions, ladies are raised to consider their to be job in life as that of spouse

what's more, mother. They are associated to be non-contentious, uninvolved and simple to acknowledge rout (rutashobya, 19995). This may have fundamentally influenced their self-assurance, accomplishment inspiration and even 'their eagerness to face challenges; characteristics that are firmly connected to accomplishment in business.

2.2.5.7 Impact of Support Services

The utilization of enterprising ability for beneficial purposes relies particularly upon the institutional help to which business visionaries can get entrance. The institutional system characterizes various expenses and motivators in enterprising movement, especially creation costs.

Overwhelming bureaucratic necessities, mind boggling and expensive marketable strategies, exorbitant data, high guarantee necessities for credit and dead access to innovation are some evident deterrents, which impact the choice to make an undertaking, creation costs and the allotment of assets to inefficient exercises instead of to the business itself.

2.2.5.7 Finance

Ladies frequently come up short on the capacity to create practical field-tested strategies adequate by money related organizations. Numerous representatives are too timid to even think about approaching a credit official, potentially since for the most part can't give any guarantee to credit. Most of the time, ladies business need just a little credit sum, the organization of which the banks consider excessively exorbitant. Furthermore, most ladies come up short on the data and important documents to get credit. Ongoing changes in the business and financial systems in Coste d'lvoire, for instance, have demonstrated to be somewhat difficult for little undertakings, despite the fact that they may have some positive effect on enormous organizations. The motivating forces presented in the mid 1990s to help the private segment are not really adjusted to the requirements of the SMEs. Women business visionaries, especially as they have insufficient degrees to fire up capital, are the ones that endure most under the new systems. Subsequently, in the previous not many years, the administration has set up some new help organizations and components concentrating on the improvement of ladies enterprise (August, 2003).

Simultaneously, the constrained understanding and information on women business visionaries in the readiness of marketable strategies don't permit them to get the essential money to start a business. Thusly, most women business, regardless of whether in the casual or formal division, utilize the instrument of obtaining financial support from their relatives as a source of finance.

2.3 Empirical Literature Review

This section presents different kind of studies which have been conducted in relation to challenges facing SMEs in different parts of the world. The section helps to identify what was done by other researchers and what was left by other studies as well as their weakness, by so doing it has given the researcher a chance to know what to cover in her study.

A study by Dean (2014), the general objective of this study was to find out the factors determining performance of SMEs in Tanzania. The study was conducted in

Temeke district in Dar-es-salaam region. The study used descriptive research design and employed convenience sampling and purposive sampling to select the sample size from 21 business people, government officials and microfinance officials using interviews and questionnaires. Generally, the findings indicate that internal, external and resource related factors affect SME's performance. The findings also indicate that SMEs face a number of challenges including competition among themselves and from large firms, corruption, capital constraints, hawkers, poor security and improper record keeping.

There is also a need for training in an area that is relevant to the business carried as well as the need to improve ways of gathering customer information for the purpose of personalized marketing and service in the context of objectives.Although the study was conducted in Tanzania but it was in the year 2014 whereas the current environmental business situations might have changed, like there have been policy amendments as well as the political regime has changed since the year 2016.Also the study was conducted inTemeke. This study will center the study in Dar es Salaam city particularly in ilala municipal. The study is similar to this study due to the fact that it looked on the performance of SMEs but the only different is this study will look on SMEs owned by women.

Furthermore, a study by Joel (2015), based on market factors affecting the performance of SMEs in Kenya, Nakuru area. The study looked on the business location factors affecting accessibility of market among SMEs. They had a sample size of 22 respondents. The study used simple random technique in obtaining the sample size; data was collected through questionnaires, interviews, documentary reviews and focused group discussion(FGD). Data was analyzed through regression analysis only. The findings showed that some of the SMEs have no stationed areas to place their business, as the result they constantly move from one place to the other looking for customers. However, failure to be stationed in a particular area for their business lead to failure of customer to know whereas to find certain products or services from SMEs. Although the study had come up with very useful insights and findings, but they were based in Kenya and not Tanzania. Also the study focused only on the business location factors, this study will focus on target markets, promotional techniques, marketing information, market challenges as well as competition. The study used inferential analysis, this study will use only descriptive analysis for the clear and easy interpretation of the findings. The study is similar to this study because it looked on the performance of SMEs but the only different is this study will look on SMEs owned by women.

Kego (2015) conducted a study on the impact of marketing skills on enhancing marketing accessibility among SMEs in Uganda. The study was basically an empirical study. The findings of the study revealed that most SMEs lack marketing skills for effective market accessibility, they do not know how to have effective customer management, relationship management, or effectively handle their customers or prospects. Also, most SMEs do not use any promotional tactics for effective competitive advantage. SMEs do not make use of advertising techniques for awareness creation claiming to be expensive as a result they lack markets. It was found that in the area where customers are so sensitive on information, one will go for a product or service which is aware of its information. Since this study was an empirical one thus based on secondary data only; therefore this study will focus on both primary and secondary data. The study was also based in Uganda; while this research will be based in Tanzania. The study is similar to this study because looked on skills affecting the SMEs performance. However, the study looked at general SMEs but not SMEs owned by women.

Tomlin (2015) did a study on tax challenges facing SMEs in Ghana, Kumasi. The study had a sample size of 13 SMEs in the study area;the study used snowball sampling techniques, and used focused group discussion for data collection. The nature of the study was a qualitative one. It was found that the resources that could be used for tax payment are the same resources that could be used for the growth of the business in the near future. It is argued that tax and complex tax systems put high pressure to small and medium enterprises. It is revealed that the tax requirement and tax compliance between small and large enterprises is different. The taxation of SMEs is seemed to be too discriminating. If the tax rate and tax compliance is reduced it could foster the profit of SMEs. Moreover, SMEs always operate in arrogant regulations under regulatory bodies, tax systems and complicated importation procedures and high port charges which have become a huge burden to SMEs. As pointed out in the above arguments, there are different kind of SMESs in terms of their size and structure which need different kind of record management that has impact on the cost and tax compliance. The study has presented very conclusive remarks but they present the Ghanaian situation since the study was conducted in Ghana. Therefore this study was conducted in Tanzania so as to reflect the Tanzanian situation. Also the study had a sample size of 13 SMEs, it is regarded to be a very small sample size hence this study has included 100 sample size. Also the study used only focused group discussion for data collection, this study has used questionnaires and interviews hence it is both qualitative and quantitative in nature. The study resembles to this study hence looked on one of the factors affecting SMEs performance which is Tax whereas the study has also considered tax as one of the factors constraining SMEs owned by women.

Further, ILO (2001) contends that a large portion of the laws and guideline influencing business (counting authorizing makers) were intended for moderately enormous ventures and are in this way past the compass of littlest business, especially the miniaturized scale undertakings, which are dominatingly claimed by women, correspondingly, defilement and administration exacerbate the situation particularly for women, who don't have indistinguishable open doors from men to meet and arrange (pay off) with prevalently male open authorities. The UDEC (2002) report communicated surprise that any woman in the casual economy figured out how to accomplish the progress to a proper endeavor in such a troublesome situation. It is currently progressively perceived that the Small and Medium Enterprises (SMEs) assume a critical job in business creation and salary age in Tanzania. SMEs everywhere throughout the world and in Tanzania specifically, can be effortlessly settled since their prerequisites as far as capital, innovation the executives and even utilities are not as requesting as it is the situation for bigger undertakings. These undertakings can likewise be built up in 'rustic settings and subsequently and incentive to the agro items and simultaneously encourage the removal of ventures. Without a doubt, SMEs improvement is firmly connected with increasingly fair conveyance of salary and accordingly significant as respect destitution easing. Simultaneously, SME s fills in with respect to rising business people. Innovative conduct is a result of ecological variables including social and customary qualities and preferences (EI-Namaki et al, 1988; El-Namaki, 1990; Rutashobya, 19995).

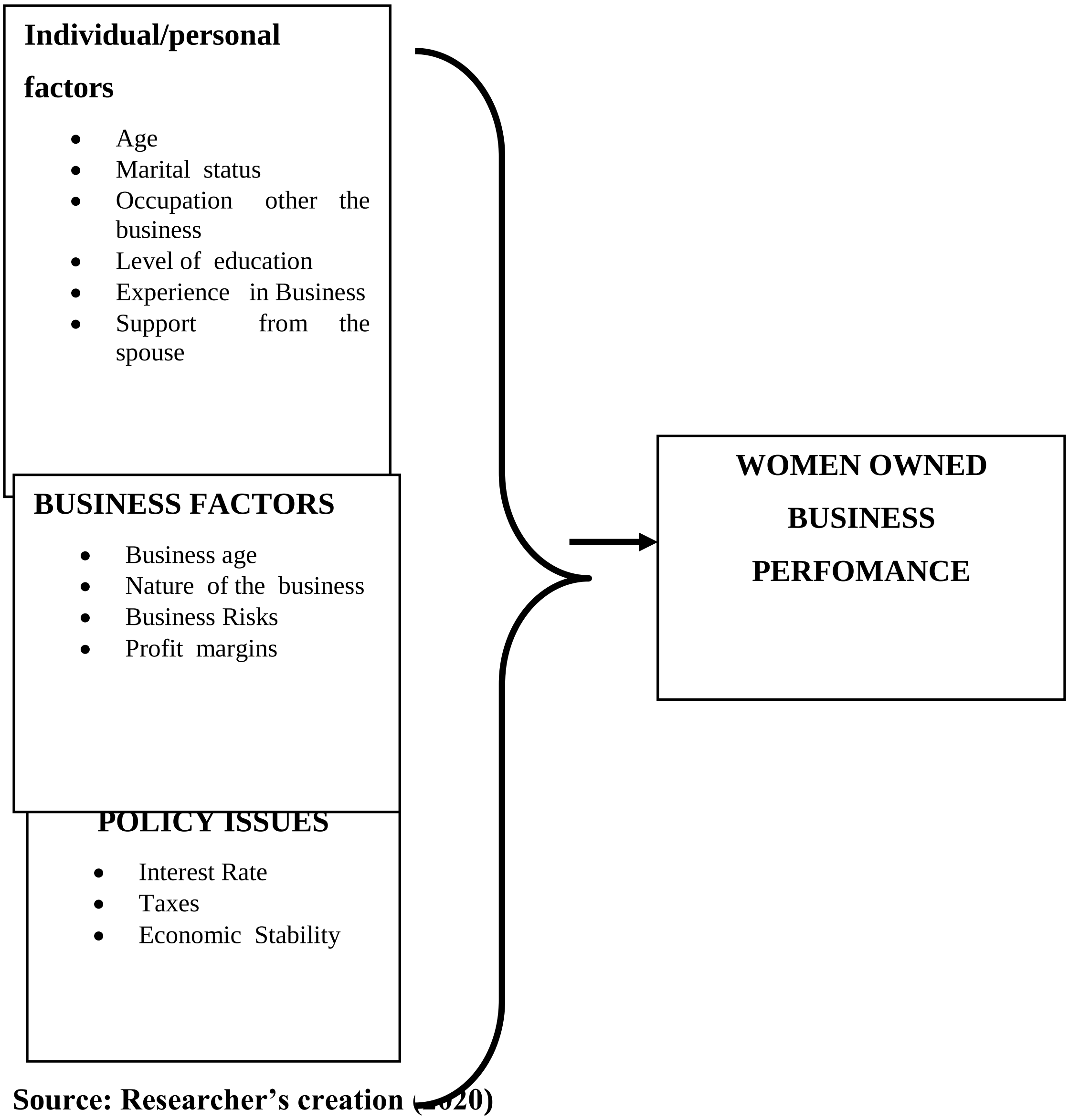
In most spot, ladies have been associated to be subordinates to men, in numerous conventions, ladies are raised to consider their to be job in life as that of spouse and mother. They are associated to be non-contentious, detached and simple to acknowledge rout (Rutashobya, 19995). This may have altogether influenced their self-assurance, accomplishment inspiration and even 'their eagerness to face challenges; characteristics that are firmly connected to achievement in business There is some experimental proof on the side of the thought that women have less of these characteristics. Nchimbi (2002) saw women business as more inside arranged, proposing an absence of certainty. Moreover, women were found to have a lower requirement for accomplishment contrasted with men. Nonetheless.

Nchimbi (2002) found no sex contrasts as far as business visionary's mentalities towards chance a finding that frustrates the broadly held view that women entrepreneurs are chance disinclined. In an examination by Karimu Howarth and Finnegan (2004) on women entrepreneurs in Africa uncovers that numerous ladies business people in Africa need capacities, abilities and mastery in certain business matters. A large number of the issue referenced seem to identify with ladies' overall absence of presentation to the universe of business. In an investigation by Karimu (2001) on Women entrepreneurs in Bangladesh, budgetary issues were the most widely recognized issue looked by their women business visionaries. Lacking financing was positioned first, especially so in provincial territories and among little monetary units [fewer than 5 workers] even more so with those situated in the family unit and unregister areas, rivalry acquiring quality crude materials, and adjusting time between the undertaking and the family were positioned as significant startup issues found that the work home clash the strain brought about by the double obligation of dealing with a business and keeping up a family to be the principle hindrance for female entrepreneurs Arora (1990) ; Maysami et el (1990).

2.4 Research Gap

As presented above, there is number of studies which have been done regarding the factors affecting the performance of SMEs in different parts of the world such as Nigeria, Ghana, Kenya, and Uganda as well as in Tanzania. Despite the fact that the studies presented above have shown very significant findings or reviews but some of them were only qualitative in nature whereas the researcher in this study has used both qualitative and quantitative techniques. However, the studies above have used inferential analysis such as correlation analysis, T-test and linear regression. But inthis study `researcher used only descriptive analysis. Also, most the studies have been presented above have shown that the factors that affect SMEs generally but not only women.

2.5 Conceptual Framework



Source: Researcher's creation (2020)

Figure 2. 1: Conceptual Framework

The conceptual framework in Figure 2.1 shows the independent and dependent variables and how they intervene and affect each other in this study. The conceptual framework shows three independent variables: the first independent variable is individual/personal factors constraining women owned business which looked upon on age, marital status, occupation over the business, level of education, experience in business and support from the spouse.

The second independent variable for this study was business factors which looked upon business age, the nature of the business, business risks and profit margins. The last independent variable was policy issues, whereas the researcher looked on interest rate, taxes and economic Stability.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents all the methodologies that was applied to conduct the study whereas the justification of choosing each methodology was given. This chapter is referred as technical chapter. It presents how the study was conducted by showing the research methods which was adopted and utilized and reasons for adopting such methods.

3.2 Research Design

A research design is the general blueprint of how the study was conducted, it identifies how data was collected, analyzed and presented (Kothari, 2012).

This study was a Crosss sectional design . A cross-sectional study is a type of research design in which you collect data from many different individuals at a single point in time. In cross-sectional research, you observe variables without influencing them. The research design used to describe about the constraints faced by women owned small and medium enterprises (SMEs) in Tanzania: A case of Ilala district, whereas the researcher asked respondents in the study to say their views about the study. It gave a clear description of what is real happening on the ground in relation to the study objectives. Also the design gave an opportunity to the researcher to draw large amount of data.

3.2.1 Area of the study

Ilala Municipal in Dar as Salaam city is where the study was centered. The researcher has selected one of the municipals in Tanzania which has high number of women owned SMEs. Therefore it has triggered the researcher to centre the study in the area. According to Dar Es Salaam region report (2019) Ilala district is among the districts in the city with high number of economic activities such as high number of industrial activities, high number of business whereas even

Kariakoo ward where it is city’s business center is in Ilala district. The SIDO report (2017) shows that, there are 760,563 small and medium enterprises based in IIala area. Therefore, there is high possibility of high number of SMEs owned by women.

3.3 Population

Population is defined as the universe of such group of people or object which a researcher is interested in the research (Nwankwo, 2009). The population of the study is the group of people in which the study draws its sample size for data collection.SMEs in Ilala area was the population to this study.

The SIDO report (2017) shows that, there are 760,563 small and medium enterprises based in IIala area. The study cannot take the whole population as unit of analysis; hence this research drew only the required sample size from the targeted population. The study targeted women owned SMEs.

3.4 Sampling technique and sample size

Purpose(s) of sampling may be many and varied depending of the type of research being conducted as well as the personal perceptions of the researcher.Sampling saves time of the researcher or the research team. Many times the researcher is going to feel pressurized into completing the research project within a certain time limit. This is where the sampling approach is likely to come in handy. Sampling increases the accuracy and reliability of the obtained results.The researcher employed sampling techniques to obtain the sample size.

3.4.1 Sampling technique

3.4.1.1 Convenient sampling

The researcher used convenient sampling technique by obtaining SMEs who were available during the study. Basing on this technique the researcher selected respondents from women SMEs of Ilala Municipal . Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. The subjects are selected just because they are easiest to recruit for the study**.**

Researchers use convenience sampling not just because it is easy to use, but because it also has other research advantages. In pilot studies, convenience sample is usually used because it allows the researcher to obtain basic data and trends regarding his study without the complications of using a randomized sample**.**

3.4.2 Sample size

Estimation of Results of the study depended on the sample size taken. The sample size of the study was 100 respondents from the study population. The researcher selected a presentable sample of the populations so as to draw conclusion with high precision and accuracy.

A formula by Yamane (1967) was utilized to obtain the sample size of the study, A 10% was used as the level of precision in obtaining the sample size. The formula is displayed below:

Sample size of this study was reached by using a formula determined by Yamane (1967) as illustrated below

n = N/1+N (e) 2

Where; n= Sample size

N= population size

e= Level of precision

e=10% since the level of confidence is 90%

Therefore, the sample size was calculated as follows;

n =100 sample size

1.5 Research process

The research processes refer to the activities that you have to undergo when conducting systematic research. It consists of series of actions or steps necessary to effectively carry out research and the desired sequencing of these steps. Among these step is research analysis in which there is quantitative and qualitative research. The researcher pretested and did pilot study as elaborated below.

3.5.1 Pretesting

Pretesting is the stage in survey research when survey questions and questionnaires are tested on members of target population/study population, to evaluate the reliability and validity of the survey instruments prior to their final distribution(Jope, 2014). The pretest was done by looking on the reliability and validity of the questionnaire. The value of pretesting can lead to detecting errors in cross-cultural language relevance and word ambiguity, as well as discovering possible flaws in survey measurement variables. Pretesting can also provide advance warning about how or why a main research project can fail by indicating where research protocols are not followed or not feasible. A typical pretest in qualitative research involves administering the interview to a group of individuals that have similar characteristics to the target study population, and in a manner that replicates how the data collection session will be introduced and what type of study materials will be administered (consent forms, demographic questionnaires, interviews, etc.) as part of the process. Pretesting provides an opportunity to make revisions to study materials and data collection procedures to ensure that appropriate questions are being asked and that questions do not make respondents uncomfortable and/or confused because they combine two or more important issues in a single question. It is vital that pretests be conducted systematically and include practice for all personnel who will be engaged in data collection procedures for the eventual main study. (Kothari , 1990).

3.5.2 Pilot study

Basically, pilot testing means finding out if the survey, key informant interview guide or observation form worked in the "real world" by trying it out first on a few people normaly 10 percent of the respondents. It is important because it make sure that everyone in the sample not only understands the questions, but understands them in the same way. This way too, you can see if any questions make respondents feel uncomfortable. (Kothari , 1990)A pilot study is one of the essential stages in a research project. A pilot study can be defined as a 'small study to test research protocols, data collection instruments, sample recruitment strategies, and other research techniques in preparation for a larger study. The pilot study was carried only to five respondents.

1.6 Data Collection Approaches

There are two type of data namely primary and secondary data.

3.6.1 Primary data

Primary data is the first hand data, thus the kind of data that has been collected for the first time. Primary data involved questionnaires and interviews.

- **Questionnaires**

Primary data was collected through questionnaires. Questionnaires in this study were provided to SMEs in the study area so as to obtain information on the study variables. The researcher administered the questionnaires to respondents by hand and it is the same ways that was collected.

The questionnaires are attached in the appendix with an introductory letter explaining the purpose of the study. Also the respondents were voluntarily included in the study

- **Interview guideand schedule**

  According to (Kothari, 2006), "an interview is a set of question administered through oral or verbal communication or a face to face discussion between the researcher and the interviewee respondent". The researcher used interview method since it allowed observing the physical and emotional reaction of the respondents and it also saves a lot of time writing to those respondents who are in a hurry. The researcher has used this method to collect data from the women entrepreneurs in the study area. The researcher picked 10 women entrepreneurs for interview

3.7 Data Analysis and Procedures

After data collection, the researcher categorized the obtained data for further analysis. The researcher has cleaned the data so as to remove all errors. The researcher was therefore using an average means to analyze the coded data. The analysis was based on frequencies and percentages in presenting demographic analysis. However the researcher employed average mean and standard deviation in presenting data regarding to the study. Also, the researcher made a cross tabulation of the respondents characteristics with study findings**.**

According to the nature of data collected qualitative method was used to analyse and interpret data that was not easily qualified. The collected data was relevant to research questions and objectives. Qualitative data was coded based on samples of collected data and the researcher developed a summary based on the findings where researcher used graphics to present the findings.

This method was used to analyse and interpret data in terms of number, such as a percentage, it was used to show and compare the magnitudes of the phenomena which were expressed in narrative way. The information was also obtainable in figures and tables which enhanced the researcher to make a logical conclusion from the findings.

Data was presented by means of descriptive statistics such as frequencies, percentages and mean in order to sum up and arrange data in significant way. The data was interpreted so as to give understandable sense to the reader. The researcher used sample drawn from the population to draw conclusion about the whole population. A questionnaire was used as it enables to bring together information from a large number of people in a small period of time and in a quite cost effective way.

CHAPTER FOUR

PRESENTATION OF THE FINDINGS

4.1 Introduction

This chapter presents findings and analysis from field data. The data is presented in terms of demographic and in terms of study objectives. The data has been analyzed by using frequencies and percentages. The findings are in thematically order while reflecting the study objectives.

4.2 Respondents Attributes

Out of 100 distributed questionnaires 96 were returned. This return rate was good enough to provide a comprehensive picture regarding the problem.

4.3 individual/ personal characteristics constraining Women owned SMEs in Ilala District

The first objective to this study was to assess the personal / individual factors constraining women Owned SMEs in Ilala district, the researcher looked on the age factors , marital status factors , occupation /business , education factors , experience of the business , and the support from the spouse. The analysis of was done and the results are presented in table 4.1 below

Table 4. 1 Individual or Personal Factors

Responses	Frequencies	Percentage
Age factors	14	15
Marital status	16	17
Occupation/other business	15	16
Level of education	22	23
Experience in the business	10	10
Support from the Spouse	19	20
Total	**96**	**100**

Source: Field Data (2020)

The first variable being analyzed under the personal /individual factors constraining Women owned SMEs in Ilala District. The researcher made analysis to see if the age of the women entrepreneurs does affect the their business.

The findings shows that14 (15%) of the respondents have pointed there is a relationship between age of the respondents constraining Women owned SMEs in Ilala District . the findings shows that most of women entrepreneurs are matured , middle aged , the strong and energetic hence can easily work hard for their business growth.

The second variable to the first objective of the study being analyzed is the marital status to see if it is one of the factors that constrain Women owned SMEs in Ilala District whereas the results are presented in table 4.1 above

The results shows that 16(17%) of the respondents have argued that marital status of the women entrepreneurs is one of the factors that constraining Women owned SMEs in Ilala District.

Furthermore the showed that 15(16%) of the respondents have pointed out that there is a relationship between other business or entrepreneurs occupation with constraining Women owned SMEs in Ilala District. It has been found that 10(11%) of the respondents have experience in the business. This is one of the causes constraining Women owned SMEs in Ilala District. Hence it has been shown that the less experienced women entrepreneurs face a number of challenges and one of the key challenges is financial management as the result to effectively manage their business.

Experience is among the factors can lead to a successful business or failure of the business. Well and long time experience is the key factor for successful business. Hence long experience will lead business owners to be knowledgeable about the business risk and opportunities. Also, it give the owner tricks of the market as well it provides knowledge about the business as well as tricks of the their competitors.

Moreover, experience in business gives owners networking thus connecting them with suppliers, creditors, other businessmen and women. Therefore, having low experience will lead to failure of the business(Qorro, 2012).

Lastly 19(20%) of the respondents have pointed out that spouse support is the one of the cconstraint facing Women owned SMEs in Ilala District. most of the time spouses do not provide any kind of support to the business owned by their wives, not only financially but not even moral or advice as the result the business automatically fails. Furthermore the findings shows that when a wife opens a small business it automatically becomes a business for subsistence of the family.

Gideon (2014) argues that the individual factor constraining women owned business is lack of support from spouses. Most of women who have engaged themselves in business face one major challenge being not supported by their spouses financially or even mere advice as the result they become alcoholic by spending the business financial resources.

The findings is against the argument by Kamara (2013) at most of the time many entrepreneurs do not concentrate one business , as the result they fail to master their business as well fail to effectively repay their loans from financial institutions . This due the fact most of entrepreneurs have many business hence have no enough time or the entrepreneurs are being employed so have no time to manage their business effectively .

Moreover the findings showed 22(23%) of the respondents have urged that one of the factors constraining Women owned SMEs in Ilala District is education level , the finding have showed that most of the women entrepreneurs lack education of business management , financial management, marketing management as well as records management. The financial literacy was low among women enterprenuers .thus have little knowledge on simply holding cash and managing their cash flow. also they have no any kind of any book keeping and economics. Knowledge on record keeping and business may help borrowers to manage their cash flows and make better business decisions, especially for borrowers who are starting new businesses. Training and education level are believed to be affecting the business performing ability of enterprenuers,(Bhatt, 2002).

4.4 Business factors constraining Women owned SMEs in Ilala District

The second objective to this study was to assess the business factors constraining Women owned SMEs in Ilala District, under this objective the researcher assessed the Nature of the business, Business Risks, and proft margins .The analysis was done and results are presented in the table 4.2

Table 4. 2 Business Factors

Responses	Frequencies	Percentage
Nature of the business	21	22
Business risks	14	15
Profit margins	18	18
Total	**96**	**100**

Source: Field Data (2020)

The first variable to this study was nature of the business , thus the researcher wanted to know if certain type of business constrains Women owned SMEs in Ilala District. It has been found that 21(22%) of the respondents have pointed out that the type of business one is dealing has high risk of leading to business failure , the findings further showed there are quick moving business and slow moving Items, the slow moving business poses high risk for failure of a business. Therefore the findings gives an impression that most of business from women entrepreneurs are of slowmoving business and hence affects their performance

Also it has been found that 14(15%) of the respondents have pointed out one of the factors affecting women busines is business risks . It was further reveled that any business has goods risk , but the risk are not factors for poor business performance because it should always be covered by the insurances**.**

Lastly it has been found that (18%) of the respondent agreed that there is a relationship between profit margins raised and the poor business performance. It has been argued that, most of the time small and medium enterprises obtained very tine profits which becomes difficult to make business perfom effectively. The findings gives an impression that small profit constrains business performance owned by women.

4.5 Policy Factors constraining Women owned SMEs in Ilala District

The last objective to this study was policies factors constraining Women owned SMEs in Ilala District. Therefore the researcher made analysis on the interest rate, taxes , economic stability . The analysis was done and presented in the table 4.3 below

Table 4. 3 Policy Factors

Responses	Frequency	Percentage
Taxes	15	16
Interest Rate	41	42
Economic Instability	40	41
Total	96	100

Source: Field Data (2020)

As far as the general purpose for this study was to find out factors constraining Women owned SMEs in Ilala District. Therefore the researcher made analysis of Tax supervision. The analysis shows that the 15(16%) of the respondents have argued that tax is among the factors that constrain women owned business. It has been found that there are a number of taxes which are charged to SMEs which become a burden on SMEs owned by women.

Also it has been found that 41(42%) of the respondents revealed one of factors constraining Women owned SMEs in Ilala Districtis interest rates. Thus there is a direct impact on the interest charged and SMEs performance . It has been found that the interest charged on loans is too high , it hinders effective loan repayment.

The findings have shown that there is a direct correlation between economic instability and SMEs performance, hence 40(41%) of the respondents have argued that the economic situation affects their business. Thus study shows that economic instability leads to poor performance of SMEs owned by women. It has been noted that currently there have been economic change from bad to poor and the nation is experiencing high inflation rate therefore it hinders money circulation in the public as the result failure of the SMEs owned by women.

CHAPTER FIVE

DISCUSSION OF THE FINDINGS

5.1 Introduction

This chapter discussed the key findings of the study as presented in chapter four. It is organized based on specific objectives of the study. The field findings were related to empirical and theoretical studies conducted by other researchers. Similarities and differences were discussed and the reasons for the differences explained.

5.2 The individual/ personal characteristics constraining Women owned SMEs in Ilala District

According to Kisau(2013) argues that one of the personal factors that influence business performance is the age of the of the women,hence it is believed the younger the age of the women are the better position out stand their business while in a study by Gao(2013) argues that most of young aged but matured people are in a good position to manage their business effectively hence have the energy to effectively run their business. However it has been found that elderly and youth aged people are not in good position to effectively manage their business respectively , thus for youth lack experience in managing their business, whereas the old aged personnel have no the needed energy to effectively run their business.

Godquin (2004) argues that financial institutions which provide training on business management, literacy, bookkeeping and record management are in good position their loans to be repaid. Hence, it is argued that women enterprenuers who have no training on business management, risk management and record management have high possibility of failing in their business.

Tedeschi (2006) points out there are two reasons for failure to make effective business performance . Failure, of the business due to economic instability. Also, firms can provide contracts that offer incentives upon business performance but this kind of reason for business ineffectiveness cannot be avoided.

5.3 The business factors constraining Women owned SMEs in Ilala District

According to Deo, (2013) Business risk is the possibility a company will have lower than anticipated profits or experience a loss rather than taking a profit. Business risk is influenced by numerous factors, including sales volume, per-unit price, input costs, competition, the overall economic climate and government regulations.

Business risk is the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.Anything that threatens a company's ability to meet its target or achieve its financial goals is called business risk. These risks come from a variety of sources, so it's not always the company head or a manager who's to blame. Instead, the risks may come from other sources within the firm or they may be external—from regulations to the overall economy.While a company may not be able to shelter itself from risk completely, there are ways it can help protect itself from the effects of business risk, primarily by adopting a risk management strategy (Kibacho2014).

Business risk is associated with the overall operation of a business entity. These are things that impair its ability to provide investors and stakeholders with adequate returns. For example, a business manager may make certain decisions that affect its profits or he may not anticipate certain events in the future, causing the business to incur losses or fail (Mambula, 2013).

A company with a higher business risk should choose a capital structure that has a lower debt ratio to ensure it can meet its financial obligations at all times. Business risk usually occurs in one of four ways: strategic risk, compliance risk, operational risk and reputational risk. Strategic risk arises when the implementation of a business does not go according to the business model or plan. A company's strategy becomes less effective over time, and it struggles to reach its defined goals. If, for example, Wal-Mart strategically positions itself as a low-cost provider and Target decides to undercut Wal-Mart's prices, this becomes strategic risk. The second form of business risk is compliance risk. This type of risk arises in industries and sectors highly regulated with laws. The wine industry, for example, must adhere to the three-tier system of distribution, where it is a requirement for a wholesaler to sell wine to a retailer, who in turn sells it to the end consumer. Wineries cannot sell directly to final consumer. However, there are 18 states that do not have this type of distribution system, and compliance risk arises when a brand fails to understand the individual requirements and becomes noncompliant with state-specific distribution laws. The third type of business risk is operational risk. This risk arises when the day-to-day operations of a company fail to perform. HSBC, for example, faced operational risk and a heavy fine when its internal anti-money laundering operations team was unable to adequately stop money laundering in Mexico. Any time a company's reputation is ruined, either by one of the previous business risks or by something else, it runs the risk of losing customers based on a lack of brand loyalty. Using HSBC as a second example, the company faced high risk of losing its reputation when the $1.9 billion fine was levied for poor anti-money laundering practices.

The nature of business refers to the overall activities of a company in their quest to create, market, and sell a service or a product. Essentially, the main focus for what a company does in a particular sector or industry is known as that company’s nature of business. Some of busness are very risk , some of the business are very fast moving business and some are are very slow, therefore the nature of the business can affect the business owned by women (Moses, 2010).

According to Hale, (2013) Fundamentally, profit margin is an indicator of business growth. For the business firm to be able to repay its loan effectively, it requires an assured profit earnings. Profit margin is part of a category of profitability ratios calculated as net income divided by revenue, or net profits divided by sales. Net income or net profit may be determined by subtracting all of a company’s expenses, including operating costs, material costs (including raw materials) and tax costs, from its total revenue. Profit margins are expressed as a percentage and, in effect, measure how much out of every dollar of sales a company actually keeps in earnings. A 20% profit margin, then, means the company has a net income of $0.20 for each dollar of total revenue earned. While there are a few different kinds of profit margins, including “gross profit margin,” “operating margin,” (or "operating profit margin") “pretax profit margin” and “net margin” (or "net profit margin") the term “profit margin” is also often used simply to refer to net margin.

A study by Dean (2014), the general objective of this study was to find out the factors determining performance of SMEs in Tanzania. The study was conducted in Temeke district in Dar-es-salaam region. The study used descriptive research design and employed convenience sampling and purposive sampling to select the sample size from 21 business people, government officials and microfinance officials using interviews and questionnaires. Generally, the findings indicate that internal, external and resource related factors affect SME’s performance. The findings also indicate that SMEs face a number of challenges including competition among themselves and from large firms, corruption, capital constraints, hawkers, poor security and improper record keeping.

There is also a need for training in an area that is relevant to the business carried as well as the need to improve ways of gathering customer information for the purpose of personalized marketing and service in the context of objectives.Although the study was conducted in Tanzania but it was in the year 2014 whereas the current environmental business situations might have changed, hence there have been policy amendments as well as the political regime has changed since the year 2016. This study has centered the study in Dar es Salaam city particularly in Ilala municipal. The study is similar to this study because it looked on the performance of SMEs but the only different is this study focused on SMEs owned by women. Furthermore, a study by Joel (2015), on market factors affecting the performance of SMEs in Kenya,Nakuru area. The study looked on the business location factors affecting accessibility of market among SMEs. They had a sample size of 22 respondents. The study used simple random technique in obtaining the sample size; data was collected through questionnaires, interviews, documentary reviews and focused group discussion(FGD). Data was analyzed through regression analysis only. The findings showed that some of the SMEs have no stationed areas to place their business, as the result they constantly move from one place to the other looking for customers. However, failure to be stationed in a particular area for their business hence customer fail to know whereas to find certain products or services from SMEs. Although the study had come up with very useful insights and findings, but they were based in Kenya and not Tanzania. Also the study focused only on the business location factors, this study has focused on target markets, promotional techniques, marketing information, market challenges as well as competition. The study used inferential analysis, this study user only descriptive analysis so as to clear and easy interpretation of the findings. The study is similar to this study because it looked on the performance of SMEs but the different is this study focused on SMEs owned by women.

Kego (2015) conducted a study on the impact of marketing skills on enhancing marketing accessibility among SMEs in Uganda. The study was basically an empirical study. The findings of the study revealed that most SMEs lack marketing skills for effective market accessibility, they do not know how to have effective customer management, relationship management, or effectively handle their customers or prospects. Also, most SMEs do not use any promotional tactics for effective competitive advantage. SMEs do not make use of advertising techniques for awareness creation claiming to be expensive as a result they lack markets. It was found that in the area where customers are so sensitive on information, one will go for a product or service which is aware of its information. Since this study was an empirical one thus based on secondary data only; this study focused on both primary and secondary data. The study was also based in Uganda but this research has based in Tanzania. The study is similar to this study because it looked on skills affecting the SMEs performance. However, the study looked at general SMEs but not SMEs owned by women.

Tomlin (2015) did a study on tax challenges facing SMEs in Ghana, Kumasi. The study had a sample size of 13 SMEs in the study area;the study used snowball sampling techniques, and used focused group discussion for data collection. The nature of the study was a qualitative one. It was found that the resources that could be used for tax payment are the same resources that could be used for the growth of the business in the near future. It is argued that tax and complex tax systems put high pressure to small and medium enterprises. It is revealed that the tax requirement and tax compliance between small and large enterprises is different. The taxation of SMEs is seemed to be too discriminating. If the tax rate and tax compliance is reduced it could foster the profit of SMEs. Moreover, SMEs always operate in arrogant regulations under regulatory bodies, tax systems and complicated importation procedures and high port charges which have become a huge burden to SMEs. As pointed out in the above arguments, there are different kind of SMEs in terms of their size and structure which need different kind of record management that has impact on the cost and tax compliance. The study has presented very conclusive remarks but they present the Ghanaian situation since the study was conducted in Ghana. Therefore this study was conducted in Tanzania so as to reflect the Tanzanian situation. Also the study had a sample size of 13 SMEs, it is regarded to be a very small sample size while this study has100 sample size. Also the study used only focused group discussion for data collection, this study used questionnaires and interviews hence it has both qualitative and quantitative nature. The study resembles to this study because it looked on one of the factors affecting SMEs performance which is Tax whereas the study also looked at tax as one of the factors constraining SMEs owned by women.

Entrepreneurship is the practice of starting new organization or revitalizing mature organization particularly new business generally in response to identified opportunities. It is often a difficult undertaking, as a vast majority of new business fail. Entrepreneurial activities are substantially different depending on the type of organization that is being started. Entrepreneurship ranges in scale from sole project to major undertaking creativity opportunities. Many profile' entrepreneurial venture seek capital in order to build the business. Also entrepreneurship is the creation and management of new business, and family business. Entrepreneur is an individual, who rather than working as an employees ,runs a small business and assumes all the risk and reward of a given business venture, idea or good or service offered for sale .The entrepreneur is commonly seen as a business leader and innovator of new ideas and business process [www.investopedia.com /term/e/ eentrepreneur.asp]. Entrepreneurship in Tanzania is increasing exponentially as the country transition from Agriculture based economy to a knowledge based economy. Most of the growth is being spearheaded by young women selling agricultural and home based goods such as catering and arts and craft. For the foreign investor there are many opportunities available as the country modernizes and privatizes governmental units. Unlike other countries in the region, the government is focusing mainly on industrial development instead of tourism. 2 The country also is seeking assistance from foreign investors and NGO's to develop the local workforce. The country is encouraging entrepreneurism amongst its people so Tanzanians can become self sufficient and not depend on foreign aid for survival. Since 1967-mid 1980's socialism economy command economy so as to minimize exploitation, this resulted in several micro economic crisis and the economy because worse due to crisis and war with Uganda. This resulted in underproduction and hence unemployment .Since 1986 to date free economy capitalism entreprenership. The work of government to produce conducive environment for people to produce. Many definition of entrepreneurship can be found in the literature describing business processes. The earliest definition of entrepreneurship, dating back to eighteenth century, used it as an economic term describing the process of bearing the risk of buying at certain prices and selling at uncertain prices (Hisrich, 2006), other, Later commenters broadened the definition led other to question whether there was any unique entrepreneurial function or whether it was simply a form of management any unique entrepreneurial function of whether it was simply a form of management early this century, the concept of innovation was added to the definition of entrepreneurship. This innovation could be process innovation, market innovation, product innovation, and even organization innovation. Later definition described entrepreneurship as involving the creation of new entrepreneur is the founder . Risk bearing is important element of entrepreneurial behavior many entrepreneurs have succeeded by avoiding risk where possible and seeking others to bear the risk. As one extremely successful entrepreneur has said, my idea of risk and reward is for me to get the reward and others to take the risk. Creativity is often not a prerequisite for entrepreneurship either many successful entrepreneurs have been good at copying others and they qualify as innovators and creators only by stretching the definition beyond elastic limits. Similarly many questions about what the psychological and social traits of entrepreneurs are.

According to UNIDO (2002), WOMEN'S productive activities, particularly industry, empower them economically and enable them to contribute more to overall development. In many cases women entrepreneurs are already making important contributions to the industrial development of their countries. Whether they are involved in small or medium-scale production activities or in the informal sector, their contribution to output and value added in the manufacturing sector is substantial, even though it remains partly invisible in official statistics. Women's entrepreneurial activities are not only a means for economic survival but also have positive social repercussions for the women themselves and their social environment .According to UNIDO (2002) Further shows that in many societies women do not enjoy the same opportunities as men. Progress has been achieved in opening doors to education and health protection, but political and economic opportunities for women have remained limited, particularly in making better economic choices and in transforming their business into competitive enterprises, generating income and employment through improved production.

Tanzania women have a long tradition in food- processing either in her households or in micro and small-scale enterprises. The UNIDO programme targets at women, who although are food 'producers they lack both essential technological and managerial skills to expand and improve their business in the free market environment. There are a variety of constraints on women and the ability of women to upgrade their production continuously. These include poor access to market information, technology and finance, poor linkages with support services, and an unfavorable policy and regulatory environment. These constraints are exacerbated by the need to compete an aggressive business environment with rapid technological changes and the globalization of production, trade and financial flows. Although many of the constraints are shared by micro, small and medium – sized enterprises run by both male and female entrepreneurs, women entrepreneurs face additional obstacles. This is due to deeply rooted discriminatory social- cultural values and traditions, embedded particularly in the policy and legal environment and in institutional support mechanisms. In many instances, women are unable to benefit from available services and must struggle to overcome discrimination in business. In many instances particularly in the African context women entrepreneurship portrays among others, the imitation of other and the advice given friends is the main reasons for taking up a new business idea. Only in rare cases is market studies conducted. When the business faces problems entrepreneurs wait for the problems to be solved by others, mainly by the government. UNIDO(2002).

5.4 The policy factors constraining Women owned SMEs in Ilala District

A corporate tax is charged on the profits a company makes. Corporation Tax is similar to Income Tax but for companies, meaning that as soon as your company starts making a profit, it needs to start paying Corporation Tax at the correct rate while small and medium business which are not registered as companies are charged tax basing on the estimated income and not profit. Business taxation affects a business's costs. For example, a rise in business tax has the same effect as an increase in costs which can lead to raised prices within the business. Other business taxes include environmental taxes such as landfill tax, and VAT (value-added tax) (Qorro, 2012).

Majority of the borrowers who fails to pay loan balances on time and the high interest rates imposed was the main reason mentioned. In this instance, financial institutions should impose reasonable and competitive interest rates to ensure effective repayment. In most cases, high interest rates discourage business to grow in the sense that a big part of the profit generated goes back to the financial institution to service the loan that was once given to the borrower. It is of essence that small business enterprises need to transform into becoming medium business enterprises and finally large business enterprises in order to enjoy both easy loan acquisition from the financial institutions and economies of scale. The government intervention through the Bank of Tanzania, as the regulator and policy maker should intervene to control the high interest rates charged by financial institutions to protect the business firms from collapsing in their infancy (Richardson, 2013).

The philosophical orientation of this paper poses a theory that a well-created business environment is the one that facilitates business performance thereby improving loan repayment to the financial institutions.

In the Tanzanian context, the lending policies require the loan to be deposited at most to be 80% of the of the movable assets to total capital to be at least 20%. The collateral is supposed to be 125% of the value of the borrowed money. The loan is required to be 25% of the core main capital is the credit offered is full secured.

Economic stability refers to an absence of excessive fluctuations in the macro economy. An economy with fairly constant output growth and stable inflation would be considered economically stable. An economy with frequent large recessions, a pronounced business cycle, very high or variable inflation, or frequent financial crises would be considered economically unstable. A financial system is stable when it dissipates financial imbalances that arise endogenously or as a result of significant adverse and unforeseeable events. When stable, the system absorbs shocks primarily via self-corrective mechanisms, preventing the adverse events from disrupting the real economy or spread over to other financial systems. Financial stability is paramount for economic growth, as most transactions in the real economy are made through the financial system. Without financial stability, banks are more reluctant to finance profitable projects, asset prices may deviate significantly from their intrinsic values, and the payment settlement schedule diverges from the norm. Hence, financial stability is essential for maintaining confidence in the economy. Possible consequence of excessive instability includes: bankrupts, hyperinflation, or stock market crashes.

The entrepreneur has an enthusiastic vision, the driving forces of an enterprise. The enterprise. The entrepreneur's vision usually supported by an interlocked collection of specific ideas not available to the market place. The overall blueprint to realize the vision is clear; however details may be incomplete, flexible and evolving. The entrepreneur promotes the vision with enthusiastic passion. With persistence and determination, the entrepreneur develops strategies to change the vision into reality. The entrepreneur takes the initial responsibility to cause a vision to become a success. 10 Risks Entrepreneur takes prudent risks. They assess costs, market customer needs and persuade others to join and help. An entrepreneur is usually a positive thinker and a decision maker.

Women entrepreneurs are often prevented from running competitive business by their relatively low education and skills level which generally limit their access to various support services. If they are given the right support, they can be part of the collective process of enterprise development and improve their success rates. At the same time, the multiple roles of women in the fancily put a brake on their risk taking. In many Africans countries women spend most of their income on the household, particularly in food and education for their children. Therefore, many of them are afraid to invest their limited funds into a business for fear of failure. The economic importance of women in Africa was reinforced by the Africa commission Report (2007), which noted the "all the evidence agrees the (women) make a greater contribution to economic life than their men folk" the world Banks Africa action

Plan (AAP), 2007. Developed in response to the G8 summit in 2005, also reiterates the central contribution of women to Africa economies. The AAP progress report (2007), presented to the Bank's Board of Directors in included women economic empowerment as one of eight flagship areas for increased focus. Gender inequality plays a significant role in accounting for Africa poor growth and poverty reduction performance. Recent review of available indicates that gender inequality in education many limit growth, that inequality in access to land and productive inputs reduce agricultural productivity, investment and modernization and the inequalities in time burdens, long side high demographic growth rates, all contribute to reducing women's ability to participate effectively in, and to benefit from economic growth. 11 In Tanzania women have low levels of education compared to men Hannach (1995). A universal primary education policy has led to the equalization of education opportunities for boys and girls at primary level. However, many girls still fail to complete primary education and drop-out rates are higher particularly in rural areas. In semi-urban and rural households the number of girls not attending school is higher that of boys (Mpango and Mushi, 2000) further although women's environment in higher leaning institutions has increased, the ration between women and men remains unbalance. Opportunities for higher education for women in Tanzania are limited compared to those of men. Gills performance in both ordinary and advanced level secondary education is poorer than that of boys. According to Malekela (2000) the average rate of girls at 'O' level in 1999 Q2 was 86 percent compared to 69 percent for boys. Given their high failure rate, very few girls' quality 'for higher level education in colleges and universities. Moreover, discrimination, in terms of specialization forces women into home economic oriented course. The subject taught in girls schools have been geared to prepare them for their reproductive roles, e2.4 impact of the legal and policy Framework.

Until recently, women entrepreneurs faced strong barriers to enterprise development in the prevailing laws and regulations. Obtaining licenses, registering the business in their own name, and applying for loans were nightmares they had to live with. It is therefore argued that an appreciation of gender issue is important when considering strategies to improve Africa's competitiveness in the world and ways to promote private-sector development. There are three main reasons why gender matters should effectively be considered. 12 First, women are major players in the private sector, particularly in agriculture and in informal business. It is estimated that women-owned business accounts for over onethird of all firms, and they are the majority of business in the informal sector, particularly in African countries. Second, the ability of women to formalize and grow their business, to create jobs, and to enhance productivity is hampered where legal and institutional of barriers exist, which affect men's and women's enterprises differently. Third, there is evidence, especially of the micro level, to indicate that gender disparities not only disadvantage women but also reduce the growth potential of the region as a whole. It is the fact that the existence of gender related barrier can thwart the economic potential of women as entrepreneurs and workers, and such barriers have an adverse impact on enterprise development, productivity, and competitiveness in Africa. Consequently, addressing gender specific barriers to entrepreneurship and leveling the full participation of both men and women in the development of African' private sector together represent significant opportunity to unleash Africa's productive potential and to strengthen economic growth. Legal and regulatory environment is a core element in the investment climate, and is also critical for competitiveness. In particular, property right, labor laws, person security, the performance of the judiciary, and the time and cost required to register, license and operate a business all affect competitiveness and the dynamism of the private sector.ILO(2002) This core element affects men and women differently, particularly because in many African societies laws and customs impede women to a greater extent than men in obtaining credit, productive inputs, education, training, spatial mobility and information. Needed to start and operate business. Although in some cases there may be gender- specific legal and administrative barriers, for the most part, the regulatory environment will be "gender-neutral" in principle, but with possibly gender-differentiated outcomes 13 in practice. For example, women may be less able than men to afford long and expansive registration producers, for these reasons, women may be more disadvantage than men in starting-up and managing enterprises. Further, ILO (2001) argues that most of the laws and regulation affecting business (including licensing procedures) were designed for relatively large enterprises and are therefore beyond the reach of most small business, particularly the micro-enterprises, which are predominantly owned by women, similarly, corruption and bureaucracy make matters worse especially for women, who do not have the same opportunities as men to meet and negotiate (bribe) with predominantly male public officials. The UDEC (2002) report expressed amazement that any women in the informal economy managed to achieve the transition to a formal enterprise in such a difficult environment. It is now increasingly recognized that the small and Medium Enterprises (SMEs) play a crucial role in employment creation and income generation in Tanzania . SMEs all over the world and in Tanzania in particular, can be easily established since their requirements in terms of capital, technology management and even utilities are not as demanding as it is the case for larger enterprises. These enterprises can also be established in ‘rural settings and thus and value to the agro products and at the same time facilitate the disposal of enterprises. Indeed SMEs development is closely associated with more equitable distribution of income and important as regard poverty alleviation. At the same time, SME s serves as for emerging entrepreneurs. UNIDO(19980) In Tanzania, the full potential of the SMEs sector has yet to ‘be tapped due to the existence of a number of constraints hampering the development of the sector. They include: unfavorable legal and regulatory framework, undeveloped infrastructure, poor business development services, and limited access of SMEs to finance, in effective and poorly coordinated institutional support framework .

Although equality of all citizens, men and women, is guaranteed by constitutions of most countries, in reality, women are often considered inferior to men. Further, traditionally, the duties of men and women differ. Women are stereotypically seen and expected to do household chores, and therefore other activities, particularly their independent economic activities, face much resistance, especially when done far from their home places. Entrepreneurial behavior is a product of environmental factors including cultural and traditional values and prejudices (EI-Namaki et al, 1988,; El-Namaki, 1990; Rutashobya, 1995). In most, women have been socialized to be subordinates to men, in many traditions, women are raised to see their ultimate role in life as that of wife and mother. They are socialized to be non-argumentative, passive and easy to accept defeat (rutashobya, 19995). This may have significantly affected their self-confidence, achievement-motivation and even ‘their willingness to take risks; qualities that are closely linked to success in business.

The use of entrepreneurial talent for productive purposes depends very much on the institutional support to which entrepreneurs can gain access. The institutional framework defines a number of costs and incentives in entrepreneurial activity, particularly production costs. 15 Heavy bureaucratic requirements, complex and costly business plans, costly information, high collateral requirements for credit and defunct access to technology are some apparent obstacles, which influence the decision to create a enterprise, production costs and the allocation of resources to unproductive activities rather than to the business itself.

Women often lack the ability to develop viable business plans acceptable by financial institutions. Many businesswomen are too shy to approach a loan officer, possibly because they usually cannot provide any collateral for credit. In most cases, women entrepreneurs need only a small credit amount, the administration of which the banks consider too costly. And most women lack the information and contacts necessary to obtain credit. Recent reforms in the commercial and fiscal regimes in Coste d’lvoire, for example, have proven to be rather onerous for small enterprises, even though they may have some positive impact on large businesses. The incentives introduced in the early 1990s to support the private sector are not necessarily adapted to the needs of the SMEs. Women entrepreneurs, particularly as they usually have inadequate levels of start-up capital, are the ones that suffer most under the new regimes. Consequently, in the past few years, the government has put in place some new support institutions and mechanisms focusing on the development of women entrepreneurship (August, 2003). At the same time, the limited experience and knowledge of women entrepreneurs in the preparation of business plans do not allow them to obtain the necessary finance to start a business. Therefore, most women entrepreneurs, whether in the informal or formal sector, use the mechanism of borrowing from their family members as a source of finance. Similarly, in Mali, many current or aspiring women entrepreneurs reiterate that the lack of financial means is a major problem for SMEs in the start-up phase. There are not many credit lines at the banks targeting small entrepreneurs.

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Exceptional cases are those related to same donor's activity. Dosme impediments specific to women entrepreneurs, which may be generalized to other countries as well, include: lack of property rights over assets, lack of confidence in women by bank officer, discouragements from men when starting or formalizing business social restriction regarding networking with men in business; and suppliers sometimes they deal with the entrepreneur's husband when decision are being made (ILO, 2003).

The UDEC (2002) report divided women entrepreneurs into the groups, depending on the structure and size of enterprises, and noted that each of these groups faces a slightly different set of constraints consequently; each segment would require different kinds of assistance and special interventions to address their unique constraints. Small enterprises which require relatively large sums of money have difficulties in obtaining bank loans because they lack the collateral and capacity to underwrite loan proposals. This situation tends to impact harder on women than on men. These are needed to explore and popularize models that have the potential to be used by the small business. If such models do not exist, new ones should be developed.

Despite the recent campaigns in favors of general education, Cote d'lvoire, for example, lacks critical skills in the SMEs sector. Entrepreneurs in the sector often do not have the necessary technical and managerial skills. Almost all the women entrepreneur interviewed admitted that they needed professional assistance to keep their accounts. In some cases, the husbands also interfere to assist in the management of the business, a situation, which weakens the autonomy and decision-making power of women. While trade plays a traditionally important role, a private industry culture does not yet exist in Ethiopia. Most educated and skilled Ethiopians would rather strive for government employment than venturing into private business. Consequently, the essential entrepreneurial skills and orientation are not well developed.

At the same time, the limited experience and knowledge of women entrepreneurs in the preparation of business plans do not allow them to obtain the necessary finance to start a business. Therefore, most women entrepreneurs, whether in the informal or formal sector, use the mechanism of borrowing from their family members as a source of finance. Similarly, in Mali, many current or aspiring women entrepreneurs reiterate that the lack of financial means is a major problem for SMEs in the start-up phase. There are not many credit lines at the banks targeting small entrepreneurs.

Technology for women entrepreneurs is often implicitly equated with simple technologies. These may contribute to rudimentary income-generation activities but not very much to the improvement and growth of manufacturing business of women.

This concept leads to a narrow approach on the part of support institutions or donors in the design and development of technologies for women (www.witi.com). Rapid changes in technology should be responded by the SMEs to find alternative ways to sustain by competitive advantage by deploying new process and new growth methods. Technology may play an important role in this respect. In this context, technology has a close with relationship with improvement of production process. Previous study has revealed that lack of equipment and outdated technology are among hindrances of SME development (Swierezek & Ha, 2003). In the study in Us, Gundry, Kickul, welsch, and Posig (2003) disclosed that technological change innovations have significant relationship with market growth. A study in Ireland unearthed that technological posture, automation, and process innovation were significantly linked to satisfaction on return of investment (ROI) (Gibbons & O'Connor, 2003). Technology advancement and transfer are important aspects for SMEs. Developed SMEs have access to technology development partly because they lack the relevant information. The problem is further compounded by the existence of industrial support institutions which are weak and do operate in isolation without focusing on actual requirements of the SME sector.

A period of high inflation create instability. When prices are rising rapidly, firms and consumers become uncertain about future costs, prices and profitability – this uncertainty tends to reduce their willingness to invest. When inflation is very high and when inflation is above interest rates, the real value of money can decline quickly causing savings to fall in value. When money loses value, economy can become very unstable as consumers have to resort to a barter economy. For example, the hyper inflation of Zimbabwe created great economic misery and a collapse in living standards. Economic instability is linked to confidence. When the economy shows signs of instability, consumers and firms become risk averse. Typically, when people worry over the future, they save a higher percent of their income. This higher saving rate can cause a larger fall in output and more instability. It is known as the paradox of thrift.

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter provides a summary of the study, draws some conclusions derived from the study and findings; highlights some policy implications as a result of the research's findings and provide recommendations for action and for further studies.

6.2 Summary Of The Study

The study was carried out to assess constrains faced by women owned small and medium enterprises (SMEs) in developing countries : A case of Ilala district. The study was guided by three objectives which were assessing individual/ personal characteristics constraining Women owned SMEs in Ilala District , examining business factors constraining Women owned SMEs in Ilala District and exploring the policy factors constrains oriented to Women owned SMEs in Ilala District

In chapter two a number of concepts, ideas as well as different illustrations were presented so as to give knowledge on the way forward of the research by identifying the research gap, conceptual framework and empirical analysis. Literature review was done from local but also other parts of the world to make the study more concrete.

This study was a case study type. In this study the population of women SMEs from Ilala district were employed as the key respondents. The study involved a sample size of 96 respondents.

The researcher used purposive sampling technique and convenient in obtaining the sample size. Using these methods in sampling were good so as to ensure equal participation of different type of respondents to make the study more reliable and valid.

In this study, data was collected through questionnaires and interviews only. Also both qualitative and quantitative approaches were used in data presentation in chapter four and thereafter a discussion and analysis of the study findings was made in each of the questionnaire's section. A deep analysis of the results was also done to compare the actual results from different past studies so as to see the connection in each of the section. The comparison was essential especially in drawing some conclusion about the matter concerned.

On the other part of the study, discussion of the findings was made by trying to analyze the general concept and aim of the research and to see if the objectives were truly met and to what extent. This was an essential part of the study as it somehow shows a picture in summary on the key areas of the study especially the connection between the objectives of the study and the findings.

6.3 Conclusion

The findings shows that on the individual factors it has been found that most of Women owned SMEs have little experience on business , which affects the SMEs owners on knowing how to ensure the flow of the business. Furthermore it has been found that level of education is one of the factors that contrains women owned SMEs it has been evidenced that most of entrepreneurs have no financial management education, booking keeping and economics. This directly affects business management. lastly under the individual factors it has been found that support from the spouse is also a factor affecting women owned SMEs ,due to the fact that spouses do not give support towards business growth.

Moreover on the study shows that there are a number of business factors which affect women owned SMEs. It has been shown that nature of the business is one of the factors , it has been found most of the business are high risk business and are slow moving business which leads to little money circulation in business as the result leads to business failure.

Also little profit margins leads to poor business perfomance. Lastly the findings on the policy factors constrains women owned SMEs. It has been found out that the respondents feel that policies on interest rate charges are not conducive for them. The interest charges are very high. The high interest charges are perceived as a burden for entrepreneurs hence failure of women owned SMEs. Furthermore the economic instability of the country is also a problem due to the low money supply coupled with high inflation rate.

6.4 Recommendations

i. Technical training on microfinance investments and exposure to wider range of entrepreneurial environments is expected to cushion the loanees against the start up challenges.
ii. In addition, the training will also guide the microfinance entrepreneurs on appropriate choice of types of business and suitable levels of man power required by the entrepreneur.
iii. Entrepreneurs should also understand bank requirements for obtaining credit. Likewise banks should announce their lending policies to increase SMEs awareness of bank procedures.
iv. Financial institutions should design credit procedures that address peculiar conditions of SMEs. Lending practice of commercial banks is still largely based on excessive collateral requirements. However, due to higher opacity of small firms operations and lack of collateral, relationship-based lending where credit officers are geographically in the proximity of borrowers and can monitor their business conditions closely which will reduce information symmetry between banks and the borrowers. Therefore relationship lending is vital for young firms with a good business plan (most likely with limited collateral) to gain credit access
v. Further research is needed to study the experiences of those SME borrowers who never approach the bank and therefore only remain potential bank clients (discouraged borrowers). There is also need to intensify research into the aspects that were brought in the study. This should more specifically focus

on examining the applicability of credit rationing and supply determinants identified in the study to specific sectors of the society like youth and women.

6.5 Areas For Further studies

i. Mores studies should be conducted so as to find out how far do domestic violence affect the performance of women entrepreneurship.
ii. Also more studies should be done so as to find out factors affecting the growth rate of entrepreneurship in Tanzania.

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APPENDIX

Appendix I: Questionnaires

Dear respondents , I kindly request you to provide the needed information so as to complete this study. This study is about the constrains facing women owned entrepreneurs. Please I need your co-operation.

Please, Rate the findings by putting a tick.

1. Strongly agree,
2. Agree,
3. Neutral,
4. Disagree
5. Strongly disagree

PART A : Individual/ personal characteristics constraining Women owned SMEs in Ilala District

S. N	Statements / items	1	2	3	4	5
1.	The age affects the performance of my business					
2.	My marital Satus has direct impact to the performance at my business					
3.	The level of education affects the business performance					
4.	Low experience in the business has effects on the performance of the business					
5.	Low support from the spouse impact negatively to my business					

PART B: The business factors constraining Women owned SMEs in Ilala District

S. N	Statements / items	1	2	3	4	5
1	Low age of my business affects the business performance					
2	The nature of the my business has impact to my business performance					
3	High risks of my business constrains its performance					
4	Low profit margin has direct negative impact of my business					

PART C: The policy factors constrains oriented to Women owned SMEs in Ilala District

S. N	Statements / items	1	2	3	4	5
1.	High interest rate charged by banks affects business performance					
2.	High and many taxation affects the business performance					
3.	High inflation rate affects the busniensspefomance					
4	Economic instability affects the business performance					

Appendix II: Interview Guideline

- Does the age affects the performance of your business?
- Does your marital Satus has direct impact to the performance at my business ?
- Does the level of education affect the business performance?
- How does low experience in the business effect on the performance of the business ?
- How does low support from the spouse impact negatively to your business?
- How does low age of a business affects the business performance ?
- Does the nature of the your business has impact to business performance?
- How does high risks of the business constrains performance ?
- How does low profit margin impact of my business?
- How does high interest rate charged by banks affects business performance?
- How does high and many taxation affects the business performance?
- How does high inflation rate affects the busniensspefomance ?
- How does economic instability affects the business performance?