

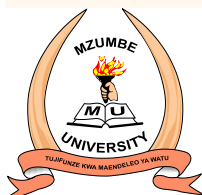
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School of Public Administration and Management, Mzumbe University
P.O. Box 2, Mzumbe Morogoro, Tanzania
Tel. +255 023 2604380/1/3/4, Fax +255 023 2604382/2600671
E-mail: cepole@mzumbe.ac.tz; Website: www.mzumbe.ac.tz

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Rationale of Policy Reviews for Economic Development: The Case of SME Development Policy of 2003

Honest Prosper Ngowi

Abstract

Tanzania has about five key development policies framework; 16 economic sector policies; about 18 cross-cutting sector policies and 16 sector policies as per January 2016 when this paper was written. For policies to bring about the desired contribution in social-economic development, they need to be well developed and implemented properly. However, for realisation of sustainable economic development to happen, periodic reviews are necessary. In this work, the author makes the need for periodic policy reviews while utilising the Tanzania's Small and Medium Enterprises Development Policy of 2003 as a case. In the context of this paper, policy review is taken to mean a regular critic and analysis of existing policy in order to make the policy in question relevant and meaningful given the prevailing dynamic situation as opposed to static policy environment during its establishment. The review process was very participatory, inclusive, consultative and constructively process. The paper is based on secondary data, and content analysis.

Key words: Policy, Policy Review, Economic Development, Tanzania

¹ Honest Prosper Ngowi is an associate Professor of Economics, Mzumbe University. Currently, he is also currently serving at a capacity of College Principal, Mzumbe University - Dar es Salaam Campus College

Introduction

Economic development concept is very wide. It has been defined differently by different authors and correctly so. For Pass et al¹, economic development is a process of economic transition involving structural transformation of an economy. Economic development has also been defined as the development of economic wealth of countries, regions or communities for the well-being of their inhabitants. From a policy perspective it can be defined as efforts that seek to improve economic well-being and quality of life.

This is done by creating and/or retaining jobs and supporting or growing incomes and the tax base². Economic development is generally about improving standard of living measured by the quantity and quality of goods and services consumed in a country. For Todaro and Smith (2015)³, economic development relates to an increase in living conditions, improvement of the citizens self-esteem needs and free and a just society. It involves development of human capital, increasing the literacy ratio, improve important infrastructure, improvement of health and safety and other areas that aim at increasing the general welfare of the citizens.

Generally economic development of countries should be guided by inter alia, policies. Policies do give both general, broad and specific directions of where a country wants to be in the future and how. This is done through various visions, missions and policy statements in various policies. In the context of Tanzania for example, there are about five key development policies framework, 16 economic sector policies, about 18 cross-cutting sector policies and 16 sector policies⁴. These are summarized in the table below.

¹ Pass, C, Lower, B and Davies, L. (2000). Dictionary of Economics, 3rd Edition. Harper Collins Publishers, Glasgow

² See: What is Economic Development? Online at <http://www.svbic.com/node/24>, retrieved on 28th March 2016

³ Todaro, M, and Smith, S. C. (2015). Economic Development, 12th Edition. Pearson, Washington

⁴ These are approximate figures by January 2016 when this paper was written. Dynamic as these are supposed to be, the numbers may change over time.

Table 1: Various Policies in Tanzania

S/n	Cross cutting policies	Sector Policies	Economic sector policies	Key Development Policies/Strategies
1	Cultural policy	Education and Training Policy	The Energy Policy of Tanzania	National Strategy for Growth and Reduction of Poverty (NSGRP)
2	The National Employment Policy	Youth Development Policy	The Mineral Policy of Tanzania	Tanzania Assistance Strategy (TAS)
3	National Environmental Policy	Child Development Policy	National Beekeeping Policy	Poverty Reduction Strategy paper (PRSP)
4	National environmental policy for Zanzibar	Community Development Policy	National Forest Policy	The Tanzania Development Vision 2025
5	National Livestock policy 2006	National Higher Education Policy	National Tourism Policy	The National Poverty Eradication Strategy
6	Cooperatives Development Policy 1997	The food and nutrition policy for Tanzania	Sustainable Industrial Development Policy SIDP (1996-2020)	
7	The National Science and Technology Policy for Tanzania	National Health Policy	Agriculture and livestock policy, 1997	
8	National Policy on HIV/AIDS	National Human Settlements Development Policy	Tourism Policy	
9	National Trade Policy	Sports Development Policy	The national investment promotion policy	
10	National ICT Policy	Women and Gender Development Policy	National Micro-Finance Policy	
11	Land Policy	Zanzibar Education Policy	The Wildlife Policy of Tanzania	
12		National Population Policy 2006	Natural Forestry Policy for Zanzibar	
13			National Transport Policy	
14			National Water Policy	
15			National Telecommunication Policy	
Total	11	12	15	5

Source: Extracted from Tanzania Online National Policies⁵

⁵ Online at <http://www.tzonline.org/policies.asp>, retrieved on 27th March 2016

It is seen from the table above that Tanzania has about 11 cross-cutting policies; 12 sector policies; 15 economic sector policies and 5 key development policies/strategies. All these are key for economic development and must be reviewed over time in order to keep them relevant in the ever-changing and dynamic situation of the ground.

Policy Review

In the context of this paper, policy review is taken to mean a regular critic, analysis and update of existing policy. The aim is to make the policy in question relevant and meaningful given the prevailing situation on the ground. It is an exercise that is important in a dynamic as opposed to static policy environment. Policy review may result into a totally new policy or modifications of differing degrees of existing policies in question. Policy reviews need to be very participatory, inclusive, consultative and constructively critical process. In what follows, rationale for policy review is discussed with the National Small and Medium Size Enterprises (SMEs) Development Policy of 2003 as a case study. The paper is based on secondary data. Content analysis of the policy is done in the context of this paper.

Rationale for Policy Review: Examples From the 2003 SMEs Development Policy

There are various reasons that call for reviews of policies and development of new ones in general. These reasons include but are not limited to when a policy is no longer followed for whatever reason, when a policy is no longer effective or having the desired developmental impact, when stakeholders view elements of the policy as contentious, when new issues have arisen that the policy needs to be amended to address and where the existing policy is redundant for whatever reason. These are some of the key checklist if we want to know whether a specific policy needs a review or not. In what follows reasons to review policies with practical examples of the case of the SMEs Development Policy of 2003 are outlined.

General Reasons for Reviewing the SME Development Policy 2003

Before looking at the gaps that exist in the SME Development Policy of 2003, this part of the paper outlines general reasons for reviewing the SME Development Policy of 2003.

New Development Frameworks and Crosscutting Issues

There are a number of new development frameworks and cross-cutting issues on which any sectoral and cross-cutting policy has to be aligned with. These are development frameworks

and cross-cutting issues that emerged after the SME Development Policy of 2003 was formulated. The policy needs to be reviewed in order to among other things, capture and be aligned with these new developments. These include but are not limited to the following:

MKUKUTA II, Kilimo Kwanza, Five Years Development Plan I and II, Millenium Development Goals (MDGs) and the Post 2015 Sustainable Development Goals (SDGs), Big Results Now (BRN), MKURABITA/Formalization, Public Private Partnership (PPP), New sectors such as natural gas and hopefully oil and the expected new constitution

SME Development Policy 2003-specific Reasons

There are a number of reasons for reviewing the policy that are specific to the policy itself. These are outlined in what follows.

Name of the Policy Versus Reality of the Ground

The policy is called “Small and Medium Enterprise Development Policy“. In the first place, the word “enterprise” should have been in plural form so that it reads “enterprises”. Moreover, the Tanzanian economy is characterized by a number of not only small and medium enterprises but also micro enterprises. The micro aspect of enterprises in Tanzania is not captured in the name of the policy. This needs to be captured in the eventual review of the policy.

Age of the policy

The policy came out in 2003. By 2016 when this paper was written, the policy was therefore about 13 years old. A lot of new issues have arisen in the intervening years (2003 to 2016) that necessitate the review of the policy so that it becomes current in all aspects in general. It has to be kept in mind that the process of developing the policy started way back in 1998 (about 18 years ago when this paper was written). According to the Policy (see the foreword)

“The policy preparation process was basically participatory. Between 1998 and mid 2001, several zonal workshops were held to discuss the status of the sector and to lay down strategies for boosting the development of the sector. Based on the inputs received, a draft policy document was prepared ... “

Reviewing the policy will be an opportunity to learn from experience in the intervening years based on various studies including lessons from the policy monitoring and evaluation (M&E) reports assuming that this good practice (M&E) was done. It is also an opportunity to incorporate new development, remove what does not work and include what works as well as capture new perspectives that have emerged in the intervening years in the very dynamic economic, business, technological, political and policy environment inter alia.

Issues in the foreword

The foreword of the policy states among other things that “ SMEs play a crucial role in employment creation and income generation in Tanzania”. Whereas this is true, it is a very narrow and specific view. It should be broadened to reflect the broader and general roles of SMES in social-economic development as captured in a number of literature such as Olomi (2013)⁶

Issues in Chapter 1: Introduction

The policy recognizes that SMEs “... have been facing a number of problems...”. There is a need to update the list of problems listed in the policy. The list include such challenges/problems as complex, bureaucratic and costly legal, regulatory and administrative environment. The policy states that there is “... insufficient competition and inadequate information on the credit markets of Tanzania, banks are discouraged and not willing to lend to SMEs. Legislation and regulation on collateral exclude movable assets as mortgages, thereby putting smaller businesses that own more of these assets into a disadvantaged position vis-à-vis their larger business counterparts”.

In real sense today although access to finance is still among the big challenges facing SMEs, there is huge and sufficient competition in the financial institutions (banks and none bank institutions such as various MFIs). This needs to be acknowledged and captured in new policy and emphasis should be on accessing the available finance in the competing financial institutions. Observation indicates that there has been substantial increase in access to finance today compared to the situation in 2003 when the policy was formulated. inter alia, a number of financial institutions especially MFIs now do accept movable assets such as vehicles and

⁶ Olomi, D. R.(2003). *Entrepreneurship and Small Business Development. A Tanzania Perspective*: University of Dar Es Salaam Entrepreneurship Centre (UDEC)

domestic equipment (sofa sets, refrigerators, television sets etc) as collateral. This needs to be kept in mind in reviewing the policy.

The policy states that there is “ ... lack of knowledge about the benefits of external services in improving competitiveness”. Currently this is not the case. Even when the policy was formulated, the word “lack” should have been “ inadequate”. The policy lists “... programmes aiming at addressing some of the major constraints. Such programmes and strategies include: - Rural Development Strategy, Agricultural Sector Development Strategy, Strategic Trade Policy, BEST Programme, Micro-finance Policy and Poverty Alleviation Strategies”. There has been new interventions that will have to be included in the new policy as well as capturing the lessons from the above interventions.

According to the policy, “Strategies for implementing the SME development policy focus on three main areas, namely, the creation of an enabling business environment, developing of financial and non-financial services and putting in place supportive institutional infrastructure” . Review is needed to see whether these are still the needed areas of focus, about 13 years after the formulation of the policy and 18 years after the process of formulating the same and more importantly the future we want the SME sector to take the country to. For example the study by Ngowi (2014) has shown the need to focus on training, mentoring and coaching as well as access to finance for SMEs/entrepreneurs to be competitive.

Issues in Chapter 2: SME Development in Tanzania

The policy states that “SMEs all over in the world are known to play a major role in social economy development”. The language needs to be improved to read “social-economic development” or “social and economic development”

Definition issues

There is a need to refine definition of the SMEs nomenclature in order to capture the new and current situation on the ground. The definition in the 2003 policy includes among other things the following: “...SMEs cover non-farm economic activities mainly manufacturing, mining, commerce and services...”. One wonders whether farm activities in the wake of the surging agri-business as partly stipulated in Kilimo Kwanza under the Commercialization of Agriculture pillar should not be included in this definition.

According to the policy “In the context of Tanzania, micro enterprises are those engaging up to 4 people, in most cases family members or employing capital amounting up to Tshs.5.0 million. The majority of micro enterprises fall under the informal sector. Small enterprises are mostly formalised undertakings engaging between 5 and 49 employees or with capital investment from Tshs.5 million to Tshs.200 million. Medium enterprises employ between 50 and 99 people or use capital investment from Tshs.200 million to Tshs.800 million .. In the event of an enterprise falling under more than one category, then the level of investment will be the deciding factor”

There is a need to review upwards the capital amounts stated in the policy. Monetary values mentioned in the policy are at least 13 years old. It is an uncontested fact that the value of the Shilling has declined in the past 13 years. This calls for the need to review upwards the pecuniary values used to define SMEs. It is also worth noting that the number of employees as a criteria in defining the size/type of SME need to be adjusted to technology used. A large capital intensive SME may not necessarily need to employ as many people as those stated in the policy. This is also true for capital investment in which for some sectors such as services industry (consultancy for example) the capital investment criteria may not apply.

Importance of Small and Medium Enterprises

The importance of SMEs in Tanzania in the past 13 years have arguably changed/increased. These should be captured in the new policy. This part of policy gives figures that need to be updated. These include but are not limited to the following: “ a third of the GDP originates from the SME sector (based on Informal Sector Survey of 1991 – **25 years ago!**); more than 1.7 million businesses engaging about 3 million persons, that was, about 20% of the Tanzanian labour force. ... about 700,000 new entrants into the labour force every year. About 500,000 of these are school leavers with few marketable skills. The public sector employs only about 40,000 of the new entrants into the labour market, leaving about 660,000 to join the unemployed or the underemployed reserve...”

Government Efforts

This part of the policy outlines the efforts undertaken by the government to develop the SME sector. There should be a number of lessons learnt in these interventions. These should be used to inform the new policy. According to the policy, these efforts include the following:

Policy Development including “Poverty Reduction Strategy; Sustainable Industrial Development Policy - SIDP (1996 - 2020) which places specific emphasis on promotion of small and medium industries through supporting existing and new promotion institutions, simplification of taxation, licensing and registration of SMEs and improve access to financial services; The National Micro Finance Policy which covers the provision of financial services to small and micro enterprises; Agricultural and Livestock Policy which is aimed at the development of agricultural and livestock activities that are performed by both small farmers and livestock keepers. Others include the Minerals Policy of Tanzania which identifies the artisanal and small scale mining operations as a major target group to be promoted through improved access to finance and availability of tools, equipment and consumables, supportive extension services, simplified licensing and enhanced marketing opportunities.

The National Employment Policy recognises that the private sector including SMEs is the major source of employment in Tanzania and outlines policies that will contribute to the creation of an enabling environment for private sector development. There are also a number of government policies already in place aimed at facilitating growth of the economy, which have a bearing on the development of the SME sector. These include: Gender and Women Development Policy, Cooperative Development Policy, the National Energy Policy and the National Environmental Policy and Rural Development Strategy”

Between 2003 and now there are other government interventions that have been undertaken including development of new policies (See the list of relevant policies that were developed after 2003 in table 1 above). Among the newest policies of relevance include those related to Natural gas development, Local content and Petroleum policies. These new policies need to be captured in the new policy accordingly.

Institutions

According to the policy, “... there are a number of institutions and programmes established in support of the SME sector in Tanzania. These include the following:

Small Industries Development Organisation (SIDO); SMEs associations such as Tanzania Food Processors Association (TAFOPA), Tanzania Small Industries Organisation (TASISO) and ‘Vikundi vya Biashara Ndogo’ (VIBINDO)”

Between 2003 and now, there are likely to be other/new relevant institutions. These need to be captured in the new policy while also learning from the contributions of these 'old' institutions some of which might have changed names or even stopped to exist.

Other Initiatives/Programmes

According to the policy, "Apart from SIDO, various institutions were established to support enterprise development in Tanzania. These institutions cater for the whole enterprise sector including SMEs. They include the Tanzania Industrial Research Development Organisation (TIRDO) which supports local raw materials utilisation; Centre for Agricultural Mechanization Rural Technology (CAMARTEC) which is involved in promotion of appropriate technology for rural development; Tanzania Engineering and Manufacturing Design Organisation (TEMDO) responsible for machine design; Tanzania Bureau of Standards (TBS) mandated to promote standards; Board of External Trade (BET) which is instrumental in promotion of exports mainly through trade fairs; and the Institute of Production Innovation (IPI) now known as Technology Transfer Centre which is active in prototype development and promoting their commercialisation"

According to the policy, other initiatives include " The Vocational Education and Training Act of 1994; Entrepreneurship Development Centre within the Faculty of Commerce and Management at the University of Dar Es Salaam which provides consultancy and training in SME related issues; College of Business Education offers business training including entrepreneurship development". The policy also states that "A number of initiatives have been designed by the Government to set up funding mechanisms and schemes to address poverty and employment related problems through promoting SMEs. Such funds include National Entrepreneurship Development Fund (NEDF), Youth Development Fund (YDF) which is managed by the Ministry of Labour, Youth Development and Sports and the Women Development Fund (WDF) that is managed by the Ministry of Community Development and Women Affairs and Children"

There are also other related programmes that were established through Government/donor joint efforts " ... including the Small Entrepreneurs Loan Facility (SELF), National Income Generating Programme (NIGP), Presidential Trust Fund and Community Development Trust Fund, National Micro-finance Bank (NMB), meant to cater specifically for micro enterprises"

According to the policy, “In recent years, the country has witnessed the mushrooming of Non-Government Organisations that are doing a commendable job in promoting SMEs. Most of the NGOs are mainly involved in credit delivery, business training, providing general consultancy, supporting market linkages and addressing gender and environmental issues. However, most of the institutions supporting SMEs are rather weak, fragmented, concentrated in urban areas and uncoordinated. This calls for the need to strengthen the institutions supporting small and medium enterprises. Therefore the SME Development Policy intends to support and strengthen these institutions”. Between 2003 and now, there are likely to be other/new relevant interventions. These need to be captured in the new policy while also learning from the contributions of these ‘old’ interventions some of which have come to the end.

Constraints faced by SMEs in Tanzania

There is a need to update the constraints that were identified some 13 years or so ago so as to be current and give actual situation on the ground today. These new constraints will be very key in formulating the new policy.

Issues in Chapter 3: Rationale for SME Development Policy

The rationale in the policy include the following: “... the SME sector has been recognised as a significant sector in employment creation, income generation, poverty alleviation and as a base for industrial development”. The rationale for developing the policy some 13 years or so ago are still relevant today. However, they need to be updated and articulated in the context of the current situation on the ground and where the country wants its SME sector to take it to in the future including achieving Vision 2025.

Issues in Chapter 4: Objectives of the SME Policy

According to the policy, “The vision of the SME Development Policy is to have a vibrant and dynamic SME sector that ensures effective utilisation of available resources to attain accelerated and sustainable growth” Its mission “ ... is to stimulate development and growth of SME activities through improved infrastructure, enhanced service provision and creation of conducive legal and institutional framework so as to achieve competitiveness”

There is a need to review in a participatory approach the objectives (both overall and specific) and identify whether these should still be the objectives, vision and mission of the policy, some 13 years since its development in 2003.

Scope of the Policy

The 2003 policy covers the following key areas:

- i. Reviewing and reconsidering public policies and regulations that discriminate against or hinder the start-up, survival, formalisation and growth of SMEs.
- ii. Enhancing the growth of the sector.
- III. Identifying and assigning clear roles of key actors.
- IV. Developing strategies that will facilitate provision of financial and non-financial services to SMEs.
- V. Developing and institutionalising public-private partnerships for SME sector development.

Some 13 years later, there is a need to review and consider in a very participatory and constructively critical way whether there is a need to continue with these focus areas or change them accordingly to reflect the new situation on the ground.

Issues in Chapter 5: Policies and Strategies For Development of the SME Sector

The policy has a number of strategies for development of the SME sector. Given the experience of implementation for about 13 years, there is a need to review and change accordingly strategies for development of the sector. Twelve years is a period of time that is long enough to show which strategies work and which do not work in the development of the SME sector.

There are also a need to review and change accordingly the various policy statements and strategies given in the policy so as to reflect the current situation and with the view of the future. These include but are not limited to policy statements related to:

Legal and Regulatory Framework “The Government will enhance implementation of programmes aimed at simplification and rationalisation of procedures and regulations so as to encourage compliance and minimise transaction cost”

Physical Infrastructure: “The Government will continue to improve the physical infrastructures and provision of utilities in collaboration with Local Authorities, private sector and development partners”

Business Development Services including Entrepreneurship Development “The government will promote entrepreneurship development through facilitating improved access of SMEs to financial and non-financial services”

Business Training “ The Government will enhance the capacity of institutions providing business training to SMEs”

Information “The Government will facilitate and support programmes aimed at increased access of information pertinent to the development of SMEs”

Technology “The Government will facilitate acquisition and adaptation of technologies as well as enhance networking between R&D Institutions and SMEs in a bid to upgrade technologies so as to raise the productivity and competitiveness of the sector”

Marketing “The Government is committed to facilitating support programmes aimed at improving SMEs’ access to market”

Access to Finance “ The Government will enhance financial reforms aimed at further liberalisation of the financial sector and the creation of financial intermediaries to cater for SMEs”

Institutional Framework for SMEs Development “The Government will facilitate strengthening of institutions and associations supporting the SME sector”

Rural Industrialisation” The Government will facilitate the establishment of manufacturing enterprises in rural areas so as to add value to agro products”

Cross Cutting Issues: Environmental Considerations “The Government will ensure that environmental considerations are given due emphasis in all SME development interventions”

Gender and the Disadvantaged Groups “ Government will ensure that gender mainstreaming is enhanced in all initiatives pertaining to SME development”

HIV-AIDS “The Government will continue to implement programmes that check the spread of HIV-AIDS amongst SME operators”

NB: Among other things, new cross-cutting issues have emerged to include but not limited to such matters as child labour and human rights. These are among key emerging issues for a number of development partners some of whom are expected to finance the policy review, implementation, monitoring and evaluation (M&E) processes. These need to be incorporated in the new policy.

Issues in Chapter 6: Roles and Responsibilities Under the SME Development

Policy

This part of the policy states various roles and responsibilities under the SME Development Policy. There is a need to review and change accordingly these roles and responsibilities as well as those assigned various roles and responsibilities. According to the policy, the following are the various institutions and their roles:

Government: Developmental Role and Supervisory role of the Ministry of Industry and Trade

Based on the situation on the ground, the roles of local government authorities (LGAs) and specific Ministries, Departments and Agencies (MDAs) need to be clearly stipulated as opposed to the situation in the current policy. In the review, the government (central, local) and MDAs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreen future situation.

Private Sector: “Will have to mobilise resources, implement projects, manage operations and in so doing ensure that the policy is put into effective implementation. Furthermore, it will, through their constituencies provide BDS which will foster the creation of a competitive SME sector. Through their associations they will strengthen the representation of SMEs to promote advocacy in the respective dialogue with the government”

It is to be noted that private sector is very broad and diverse. There is a need to acknowledge that private sector is composed of foreign and local; formal and informal as well as micro, small, medium and large enterprises (See Ngowi, 2006⁷). This acknowledgement is essential in stipulating the roles of private sector in the new policy. In the review, the private sector of all types should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreen future situation.

Non Governmental Organisations (NGOs): “NGO’s intervention in supporting SMEs in Tanzania range from institutional capacity building, direct provision of financial and non-financial services to infrastructure development”

⁷ The Nature of the Private Sector: The Need for New Methodological Approaches in Assessing its Role in Development. In Economics and Development Papers, 2006

The policy has been silent on the fact that NGOs are very important in lobbying and advocacy for inter alia good policies, legal and regulatory framework as well as good governance etc that are very crucial for SMEs development. It is to be noted also that the term NGO is rather narrow. There is a need to widen it by using the term Civil Society Organizations (CSOs) that would include NGOs, Faith Based Organizations (FBOs) and Community Based Organizations (CBOs). In the review, CSOs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreign future situation.

Development Partners “They provide finance for micro finance operations, physical infrastructures, capacity-building of the SME institutions and various activities intended to create a favourable environment for the SME development. Development partners are expected to design and implement sustainable interventions especially in the financial and non-financial services for the SMEs in compliance with the principles stated in this policy”. In the review, DPs should be consulted to give their inputs on their roles and responsibilities in the SME policy based on the current and foreign future situation.

Issues in Chapter 7: Policy Monitoring and Evaluation (M&E)

Programmes in the policy were to be implemented within 3 to 5 years. Assuming that there was M&E of the policy, there will be M&E reports. These will contain valuable wealth of knowledge and lessons (positive and negative) that should inform the policy review process. M&E reports should inform on among other things, what works and what does not work in the policy.

Issues in Priority Programmes and Projects: Objectives and Activities

There are various priority programmes and projects with objectives and activities in implementation of the policy. There is a need to review the relevance of these priority programmes, projects and activities including assessing whether they are still priorities and in which order after 13 years of implementing the policy.

Objectives are the following

Objective 1: Enabling Legal and Regulatory

Objective 2: Improved Access to Physical Infrastructure and Work Places

Objective 3: Strengthened Entrepreneurial Culture and Markets for Sustainable Business Development including: Entrepreneurship Development, Business Training Information Services, Technology and Environment and SME Market Access

Objective 4: Improved SME Access to Finance

Objective 5: Strengthened stakeholder capacities to achieve effective implementation of SME policy

Objective 6: Enhanced Rural Industrialisation

Objective 7: Cross cutting issues: environmental considerations, gender and disadvantaged groups and lastly HIV-AIDS

Comments given earlier on cross-cutting issues apply here too

Conclusions

As per the discussion above there is huge time lapse between the time when the process of developing the SME Development Policy 2003 started (1998) and when the policy was signed by the Minister (November 2002) and when it came into effect (2003) to now (2016). It is about 18 years since the process began and 13 years since the policy was formulated. There have been new changes in the intervening years (1998 to 2016 and more specifically 2003 to 2016). New issues have emerged, some of the old issues that were ‘new and current’ way back in 1998 and 2003 might still be ‘issues’ but not necessarily new and current. They might have ceased being issues as well. This is due to the dynamic world environment in which we live as opposed to a static one. All these changes – positive or negative, local or foreign, small or big do call for and justify a review of the SME Development Policy 2003 sooner than later.

Recommendations

It is recommended therefore that the policy review process takes place as soon as possible in a very broad-based and participatory approach as possible. It should learn from the past experiences both in Tanzania and beyond where there are best practices in this area. It should also be informed by the current rapidly unfolding situation at home and globally. More importantly however, the process should be futuristic looking at where Tanzania wants its very dynamic, vibrant and ever evolving SME sector to take it for about a decade or so to come which coincides with the coming to end of the Vision 2025.

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