Contribution of Small and Medium Enterprise's in Income Poverty Reduction A Case of Mini Supermarket in Moshi Municipality, Tanzania By Shahid H. Karmali

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The motive behind carrying this study was due to the experience that, there are several studies and policy that have been done on SMEs in relation to poverty reduction. The purpose of this study was to assess the contribution of SMEs in income poverty reduction by assessing the socioeconomic characteristics of the owner of mini supermarkets, to determine the challenges faced by mini supermarket to income poverty reduction, and lastly assess the ways mini supermarket can reduce income poverty in Moshi Municipality. This is a descriptive research design, conducted in Moshi municipality. Study population comprised of 22 mini supermarkets. A purposive sampling was employed to obtain a desired sample. Primary data were collected using questionnaires with interview guide while secondary data were collected through journals, books and other documentary review. Data analysis was carried through Statistical Package for Social sciences (SPSS) programme version 22 where descriptive and multiple response analysis were both employed. Based on the findings, the mini supermarket had faced the challenges on reduction of income poverty in Moshi Municipality and the most common challenges was higher taxes. The most common ways used by SMEs on reduction of income poverty was by offering fair and reasonable price to the people. Therefore, the study concluded that, SMEs have played a great role in improving the life standard of the people and hence it has reduced income poverty. The study recommended that the government should promote SMEs on increase in the business investment that result to growth of economy in Tanzania and make the possibility of Tanzania eradicating poverty by year 2025 as envisioned in the country's development vision 2025