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# **AGRIBUSINESS SOCIAL ENTERPRISES FOR SUSTAINING LIVELIHOODS IN URBAN SETTLEMENTS IN TRANSITION: EVIDENCE FROM NURSERY GARDENS IN RAPIDLY URBANIZING CITY IN TANZANIA**

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**Key words:** Agribusiness, Social Enterprise, Livelihoods, Urban settlements in Transition, Nursery Gardens and Tanzania

## **SUMMARY**

Nurseries gardens in urban areas as agribusiness social enterprises have gained a significant popularity for their contribution towards economic growth, employment creation, households income generation, urban ecosystem preservation, urban aesthetic values, incubation of entrepreneurial talents and therefore stimulating socio-economic development. This paper is the result presents specific findings from the broad project on Urbanization and ITS Impacts on the Use of Natural Resources in Africa funded by VW Stiftung Foundation of Germany (2009-2012). In specific, terms, Moshi in particular, the study focused on analysing the contribution of nursery gardens as social enterprises on sustainable livelihoods of the people with urbanisation perspectives. It examined the how nursery gardens sustain household income, health, education, food safety and shelter as the livelihood outcomes of poor resource persons in urban and peri-urban zones of the city. Likely, it explores the ecological impacts of nursery gardens and environmental justice issues within the changing climatic conditions and livelihoods in the city. The presence of both positive and negative relationships existing between households' business income and livelihoods strategies and outcomes were highlighted. However, institutional conflicts and structures on business premises, informality and inadequate reliable marketing information found affecting environmental justice, ecosystem, food systems and households incomes in both urban and peri-urban settlements in the city. The study wind-up by arguing that the growth of nursery gardens as social enterprises, which contributed much to households life in the city needs to be strengthened in view to their operating environment along with access to business premises and markets, financial aspects, affordable technical, entrepreneurship, and business management skills and training. Moreover, land management skills and urban development polices and legislations awareness to these actors are demand in Moshi and other Sub-Saharan African Cities to enhance urban ecosystems and livelihoods sustainability.

## **ABSTRACT**

This paper is centered on analysing the contribution of Agribusiness social Enterprises on sustaining livelihoods of the people in urban settlements, taking nursery gardens as a case study in point in Moshi Municipality. The study determines the impact of garden enterprises in terms of how do they sustain household income, health, education, food safety and shelter as the livelihood outcomes of poor resource persons in urban and their fringe zones. The ecological impacts of nursery gardens and environmental justice issues within the changing climatic conditions and livelihoods in the city are also discussed. Both primary and secondary data were gathered using library search, observation, focus group discussions, interviews, mapping and photographs. Data were analysed using Statistical Packages for Social Sciences and Excel where tables, histograms and frequencies were deployed.

The study indicates presence of both positive and negative relationships existing between households business income and livelihoods strategies. However, family's accessibility to shelter, education, food availability, access to social services and assets are some challenges noted. Changing of the need, size, nature and quality of nursery gardens within urban setting found affecting differing ecological systems and livelihoods. Institutional conflicts and structures on business premises allocation, Informality and inadequate marketing are challenges observed, which affects urban environmental justice, ecosystem and food systems in both urban and peri-urban settlements.

The study wind –up by arguing that the growth of nursery gardens as social enterprises, which contributed much to households life in the city needs to be strengthened in view to their operating environment along with access to business premises and markets, financial aspects, affordable technical, entrepreneurship, and business management skills and training. Moreover, land management skills and urban development polices and legislations awareness to these actors are demand in Moshi and other Sub-Saharan African Cities to enhance urban ecosystems and livelihoods sustainability. Land development policy and legislature enforcement, flexibility and improvement are of demand to accommodate informal sector in urban setting.

## **1.0 INTRODUCTION**

The Micro, Small and Medium Social Enterprises play an important role in socio-economic development worldwide. This is undoubtedly a case in developing countries like Tanzania where it is estimated that one third of the country's Gross Domestic Product (GDP) originates from this sector (Mbura, 2007) with about 1.7 million businesses engaging about 3 million people (Informal sector survey, 1991). More than 80% of the workforce in rural and urban population are in this sector (International Labour Organisation (ILO), 2003).

According to SME Policy of 2003 and Informal Sector Survey of 1991, Tanzania like many other developing countries is facing a significant problem of unemployment. The reports shows that, every year there are about 700,000 new entrants in labour market, of whom 500,000 are school leavers with a few marketable skills. Public sector absorbs only about

40,000 of the new entrants into the labour market leaving 660,000 to join the unemployed reserve, most of these ends up in SME sector, especially in the informal sector. Moreover in typical developing countries, they have greater economic impact than larger firms in terms of employment generation, and provision of means of livelihood, that is because they use more of what a country possesses and less of what it lacks and thus are considered more to account for a substantial share in export basket of most developing countries (Assefa and Matambalya, 2002).

In spite of all these importance, this sector is faced with a number of constraints that hinder their performance. These includes complicated legal and regulatory framework, insufficient data, limited access to financial services, poor infrastructure, weak business support, inadequate quality standard control, low technology and limited access to raw materials and working premises (Njau, 2009). The institutions and associations supporting these social enterprises are weak, fragmented and uncoordinated. Their services are quite basic, mainly focusing on helping the poor ekes out a living. There are hardly any initiatives for targeted, comprehensive and sustained support specifically to facilitate upward mobility of micro and small enterprises (Olomi, 2009). As a result of the above situation, majority of these enterprises have permanently remained micro and informal, limiting their access to growth, markets and some support services, quality of jobs created by them, their capacity to pay taxes and eventually poverty reduction and sustainable livelihoods at the grass root level. This situation is likely to be worsening as competition intensifies with the ongoing globalization (URT, 2003).

It is inescapable truth that, over the past three (3) decades, the enterprise culture in Tanzania was suppressed in favour of a socialist society, with few exposed, experienced and serious entrepreneurs (Olomi, 2009). Nchimbi (2002) and Temu (1998) showed that most of the existing business ventures in the country are survivalists, not serious, and are pushed into business by economic necessity as opposed to entrepreneurial spirit. Very little of what is obtained from the daily operations of their ventures is used in terms of capabilities and assets, to carry out activities in order to survive in advance circumstances and so the many years performance of their businesses do not contribute significantly to sustainable livelihood (personal communication). This is also supported by Olomi (2003) who observed that while a large number of them start microenterprises, only a small number of these operators are eventually succeed in generating a sustainable living out of their micro and small-social enterprises.

Many studies have been done on sustainable livelihoods, with emphasis on socio-economic assessment, sustainable use of natural resources, food security, and poverty alleviation without linking it with the development of Agribusinesses social enterprises. PANTIL (2006) analysed livelihood in terms of vulnerability, assets, policies, livelihood strategies and livelihood outcomes, Norlida (2009), Ashley and Carney (1999), studied the marine park and sustainability, Canari (2010) linked poverty, livelihood security and natural resource management as a way to evolve interventions that support sustainable and resilient development strategies for local communities while Seeley and Pringle (2001) evaluated the

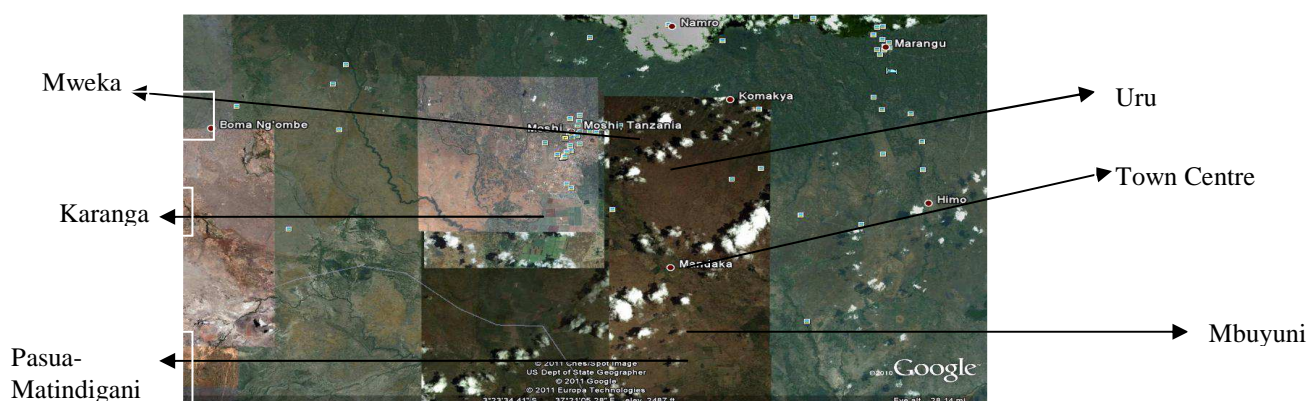
effectiveness of sustainable livelihood approaches on HIV/AIDS epidemic. This is an indication that the agribusiness and social enterprises is under-researched.

Vibha (2005) traces the situations of Micro and Small Agribusiness-Enterprises and the way they support themselves and their families acquiring sustainable livelihoods. Empirically, this gives an evidence that little have been done in researching livelihoods and agribusinesses as supported by Alemahehu (2006), Negash and Kenea (2003) who found that researches on the link between the two have not been a major area of focus. Besides, none of all these tried to connect the aspects of sustainable livelihood with the performance and development of Micro Agribusiness Social Enterprises dealing with nursery gardens, this calls for a need to study this area. The critical gap in Micro Agribusiness Social Enterprises has therefore been its failure to link enterprises in nursery gardens with the sustainable livelihoods and lack of research studies in the area. Thus it was worthy carrying out this study to examine the contribution of these enterprises towards sustainable livelihoods of the poor resource person in urban and peri-urban areas of the rapidly urbanizing city in sub-Saharan Africa, Moshi being of particular interest.

## 2.0 STUDY APPROACH

The descriptive study employed a cross sectional design and was conducted in Moshi Municipality located on fertile Southern slope of mountain Kilimanjaro 30181 South of Equator and 270201 East of Greenwich, with a population of 150, 000 and 406, 400 respectively, with the household population growth rate of 4.6%, (2006 Census). The step-pathway approach was adopted in identifying the transects which were grouped into four zones: *The town centre*, *the Western part* (along the Moshi – Arusha road; Karanga S 3°19.698' and E 37°16.309' with a distance of 9 Kilometres from Moshi town), *Northern part* (Uru S 3° 16.382' and E 37°18.697' at a distance of 9 Kilometres from the hub of Moshi), and *Southern part* (Mbuyuni, 4 Kilometres from Moshi centre, S 3 ° 21.553' and E 37°20.258' and Pasua- Matindigani, at S 3 ° 23.114' and E 37°20.179' 11 Kilometres from the heart of Moshi Municipal) refer fig. 2.1 below

### Figure 2.1: Map Image Showing Transects and Case study Zones in Moshi



Source: Google maps (2011)

The sample size for the study was 50 with its distribution based on business location, age, gender, and number of years in the business. A snowball technique was adopted in identifying the members of the desired population and we used Stratified random sampling to obtain a more efficient sample than would be with simple random sampling (Zikmund, 2003). This is due to the fact that it provides an equal chance to every member of population to be included in the study. Owners of agribusiness social enterprises dealing with nurseries were surveyed and classified according to the nature of the business they are doing, location, gender and the number of years in business. The stratum addresses the diversity of entrepreneurs in terms of their classes.

Interviews were used in collecting primary data guided by well checklist questionnaires, in addition focus group discussions was also used, and in this regard, participants were chosen by using non-probabilistic sampling and put in groups of four to eight for discussion. The criteria used in identifying the participants include location, age, gender, and number of years in the business. We also adopted the use of audio-recording and note taking simultaneously and one group was interviewed in a day, to avoid the danger of losing and even confusing data for potential wealth of ideas from the respondents. Quantitative and qualitative data were then be edited, coded and tabulated using Statistical Package for Social Science (SPSS) and Microsoft excel spreadsheet and finally analyzed using two analytical tools which are descriptive statistics and Pearson's Product Moment correlation coefficient so as to establish the contribution of Micro and Small Agribusiness Social Enterprises towards Sustainable Livelihood.

### 3.0 FINDINGS AND DISCUSSION

#### 3.1 Entrepreneurs' Characteristics

Findings from this study revealed that men are more engaging in nursery industry than female. constitute 58% while female were 42%. This implies This difference is caused by constraining factors such as women's reproductive roles, education, entrepreneurial capacity and technical skills, others are limited start-up capital, limited access to credit for working capital and limited capacity to absorb the consequences of failure as supported by Rutashobya (1995) and ILO (2003, 2003a, 2003b) this implies that there is a gap between male and female

engaging in Micro and Small social enterprises. However there is a noted increasing participation of women in enterprises as a result of the necessity of them to play a more active role in income generating activities. This according to Rutashobya (1995), Nchimbi (2002), ILO (2003, 2003a, 2003b) is accounted by a number of pull factors like the need for something she can have control over, to raise her social status and earn respect of her husband and the community, to have greater flexibility (compared with employment) to combine work and household responsibilities, need for achievement, need for independence and the need for money as a measure of success. There are also push factors which accounts for this reduction; these are to meet basic economic needs, creating breathing space for the woman, frustration and boredom in their previous jobs, as an escape from workplace discrimination and domination of male employers and as a solution for women who find themselves “trapped” at home once their children have grown up.

However, it has been revealed that 36% of the respondents are ranging between 31 and 40 years of age and 28% belonged to the group of 21 to 30, while 26% are ranging between 41 to 50 years, 2% less than 20 years and only 8% aged above 50 years. Also these findings revealed that respondents are mainly married which constitutes 60% of all respondents in the surveyed nurseries. Single respondents were 40% and divorced 0%. This is supported by the fact that self-employment rate is much higher for married people than single ones. Marital status is closely related to age and stage of life cycle; married people are likely to be middle or old aged, while single people will typically be younger. Self-employment rate increases with age up to 35-40 age group and the drops slightly before increasing dramatically again to peak at post-65 and so the likelihood of one engaging with self-employment will therefore depend on his or her age. Olomi (2003) explain the reason for these variations citing that unlike the young who have the energy required to start new and independent ventures, but lack of the financial resources to do so, the older have money, but lack the energy to establish ventures and willingness to change their lifestyles. Nevertheless many of them are likely to be involuntary pushed into some form of self-employment after retirement.

In view to education level of garden operators, the study established that a significant number of operators in the industry are primary school leavers which constitute 46% and 22% with secondary education while only 4% managed to attend high school and 28% did not attend school at all. Technically, this is influenced by the nature of the business and the desired skills. This is also supported by Njau (2009) that people with low level of education tend to be engaged in activities which need minimum academic skills and this affects the way they manage their businesses and may lead to weak performance in terms of production, finances, operations, marketing and low profit earnings.

### **3.2 Ownership and status of Social enterprises in Moshi**

From the survey findings, 28% of these ventures are owned individually while 72% are shared among several operators and associations. These groups are registered and coordinated by the Moshi Municipal Council under the Department of Planning and Environment. They are financed by loans offered by the Government and the Municipal Council in the ratio of 90:10 (Personal communication, 2011). However, these groups are not paying tax to the local

Government and this hinders the revenue generations and provision of social services. It was also revealed that the groups are not willing to work in the areas reserved for such business operations.

The nursery industry seems to be potential and fast growing livelihood strategy with an incredible rate of new entrants, as 28% of the respondents are working with the gardens for less than 5 years, 32% between 6 and 10 years, 18% between 11 and 15 years with only 8% ranging between 16 and 20 years, while 14% above 20 years. Moreover, 60% of these entrepreneurs entered into the industry for the purpose of earning a living, 28% to complement other incomes and 12 % for fun. It was also discovered that many operators depends much on the garden income, 40% of the respondents have no other sources of income apart from their nursery gardens, 24% depend also on farming activities, 14% formal employment, 10% casual labour, 12% petty business. This reflects observation by Olomi (2001) and Rosa *et al* (2006) that most of those who start necessity enterprises consider their activities as a means of making a living. Hence a need for various actors to support the development of this industry, as it influences city development and the livelihoods of many.

### **3.3 Locations and Premises**

The study shows 64% of respondents operating in urban centre and 36% in the peri-urban. This is accounted by imbalances in key areas like customer base, revenues, poor developed infrastructure, utilities and support. All these increases significantly as one move from peri-urban to town centre areas and lead to increased rural urban migration as well as absorbed in between settlements. One of the key challenge in the institutional context is business premises, this study reveals that these nursery gardens do operates on public areas such as open spaces, recreation places, and road reserves, yet there were few others who conduct their businesses at home places . This is due to bureaucracy, corruption and poor city planning and the very limited number of surveyed plots. However it was noted that access to surveyed land and premises is very limited thus squatting is a common character. As a result many garden operators are not registered and continue to operate informally as revealed in this study findings that only 10% of the respondents registered their businesses with local authorities, 24% in process, 44% not registered, leaving other 22% with no plans to register their businesses.



**Figure 3.1: Lack of business premises and unplanned township**



A nursery garden operating on the road reserve along Rau road in Moshi Municipality due to unplanned township. Photo by Researcher (2011).

### **3.4 Business Income and Quality of Life in Household Level**

The study analyzed the role of the nursery industry in boosting household income, and from this it was revealed that, these gardens have significant contribution in income creation as 86% of the respondents said their nurseries help to improve household income while only 14% said it is not. A comparison was also made on the quality of life between entrepreneurs and other household in their communities and it was revealed that 16% had higher, 56% about the same where as 28% were found to have a lower quality of life. Again the ratio of those with higher and about the same in one extreme to those with lower quality of life shows that nursery gardens have a substantial contribution to owner's household income.

### **3.5 Food Security Intervention at Household Level**

As one of the livelihoods outcomes, the study focused on looking at the contribution of nursery gardens to household access to food and findings in study reports that the state of food availability over the past five years, table 3.1 below shows that 68% of entrepreneur's households changed and improved as a result of the gardens income while 32% did not change, 12% declined, 18% reported no changes while 2% were not aware of changes or not. For those who reported changes, 60% resulted from income generated from nursery business, 8% from other economic activities and 32% income from both nursery and farming activities. Of all the respondents, 56% do have food reserve at their households while 44% have no food reserve. This again shows that income earned out of nursery gardens plays a very important role in ensuring food is available at household level and so reveals a positive relationship between gardens income and change in household food status.

**Table 3.1: Garden Income and state of Food Security in Household Level**

Variable	Category	Frequency (N=50)	Percentage (%)
State of food security	Changed	34	68
	Not changed	16	32
State of change	Improved	34	68
	Declined	6	12
	No changes	9	98
	Do not know	1	2
Reasons for change	Income from nursery business	30	60
	Income from other activities	4	8
	Income from nursery and farming	16	32

Source: Field data Collection May (2011)

### 3.6 Garden Income and its contribution to Household Health Services

The study findings clearly show a positive relationship between increase in business income and health status which changed to 76% of the respondents. This change to 80% was due to nursery gardens income, 20% other income sources. The greater magnitude of households with improved health status and access to health services as the result of increased nursery income proves the potentiality of nursery gardens income in changing and improving the livelihoods of the people.

**Table 3.2: Garden Incomes and Access to Household Health Services**

Variable	Category	Frequency (N=50)	Percentage (%)
Health status	Changed	38	76
	Not changed	12	24
Reason for change	Nursery gardens income	40	80
	Other income sources	10	20

Source: Field data Collection May (2011)

### 3.7 Garden Income and Access to Education and Training Services

In this section, respondents were to indicate their degree of agreement with the given statement and it was revealed that 56% disagreed with the statement that income generated from the nurseries is enough to support personal education, 10% had no opinion. 34% agreed that their income has some positive impact on personal education. Also 36% disagree that business income enable their children to get better education, 6% were neutral and 58% agreed. Moreover, the study findings shows that 66% disagreed with the fact that school fees are cheap given their incomes, 18% were neutral while 16% agreed. For the case of business income on accessibility of Business Development Services (BDS), 58% disagreed, 8% had no opinion where as 34% agreed. It can be argued that income generated in the nursery industry is not enough to enable owners to attend such training programmes.

### 3.8 Garden Income and Access to better Houses

The study also intended to measure the impact of nursery gardens in enabling operators in

accessing better shelter, and it was observed in table 3.3 that 42% of the garden operators do own their houses, 58% renting from other people. However, only 28% of those have ownership coming from the nursery gardens and 72% from other income generating activities. Thus garden income is not enough to guarantee ownership of large and valuable assets like houses. Besides, It enable them to live in modern, medium sized and better houses as the study results clearly shows that 90% of the interviewee lives in houses with corrugated iron sheets as roofing materials, 2% with tiles, and 3% grass matched. Moreover, the study analysed the contribution of the nursery industry in the quality of houses that venture owners live in, it was revealed that 48% of the houses changed in the past five years of business operations, 52% did not, of those changed, 72% improved and 28% declined and the main reason for changes were 54% increased garden income, 7% increased income from other sources and 16% reported a declined garden income. This strengthens the efforts by local authorities towards sustainable citie development and planning.

**Table 3.3: Business Income and Access to Better Houses**

Variable	Category	Frequency (N=50)	Percentage (%)
<b>House ownership</b>	Own	21	42
	Rent	29	58
<b>Source of ownership</b>	Nursery gardens	14	28
	Other sources	36	72
<b>House quality</b>	Changed	24	48
	Not changed	26	52
<b>How changed</b>	Improved	36	72
	Declined	14	28
<b>Reason for change</b>	Increased garden income	27	54
	Other income	7	14
	Declined garden income	16	32

**Source: Field data (2011)**

### 3.9 Correlation between Garden Income and State of Livelihood Outcomes

#### 3.9.1 Garden Income and Household Education

Based on the results in table 3.4 below, guided by research problem and stated hypotheses, we arrived at the conclusion that there is a positive relation between increase business income and the state of household education. Correlation coefficient of 57.8% at the significant level of 0.01 indicates that households with increased business income are likely to take their children to better and more promising schools. And from this relationship we accept the H<sub>1</sub> hypotheses that there is a positive correlation between increase in business income and children's access to better education at 1% level of significance.

#### 3.9.2 Garden Income and Availability of Food at Household Level

The Person Correlation results in table 3.4 reveals that, at the level of 0.01 there is a positive relationship between increase in business income and the state of household's food availability. The correlation coefficient of 56.7% specifies that increase business income predicts a relatively high access to food. Income from the gardens lead to improved status of

food security at household level as it enables entrepreneurs to have food reserve that might be used over the year. This is commonly for social enterprises operating in Town center and absorbed peri-urban center areas where there is a problem of land as opposed to those in rural areas where most of them do have enough land that is used farming activities. Therefore at 1% level of significance, we reject the  $H_0$  hypotheses that there is no relationship between increase in business income and availability of food at household level.

### 3.9.3 Garden Income and Household Health Status

The current study analyzed the contribution of nursery gardens income in accessibility of household health services, and findings in table 3.4 below divulge that, the two variables are positively correlated at 59.6% with the significant level 0.01. It was observed in the field that due to improved business income the household health status changed, to the extent that 94% of the entrepreneurs (table 4.5) and their families afford to use health services from hospitals and health centres by way of cost sharing or buying the services from health services and hospitals. From this we accept the  $H_1$  hypotheses that increased business income and accessibility of household health services are positively correlated.

### 3.9.4 Garden Income and Quality of House

The study also anticipated to measure the impact of nursery gardens income in the quality of houses that venture owners live in enabling operators to access better shelter, and it appears that at a significant level 0.01 garden income is highly correlated with the quality of house that an entrepreneur is living at 0.601 (table 3.4 below).

**Table 3.4: Correlation between Garden Income and State of Livelihood Outcomes**

Livelihoods Outcomes		Increased Garden income	State of Household Education	Availability of food	Quality of house	Household health status
Increased Garden income	Pearson Correlation	1	.578**	.567**	.601**	.596**
	Sig (2-tailed)		.000	.000	.000	.000
	N	50	50	50	50	50
**Correlation is significant at the .001 level (2-tailed)						

**Source: Field Data (2011)**

### 3.10 Ecosystems and cities development and planning.

The relationship between ecosystems and cities development is crucial (UN-HABITAT, 2010). Urban environmental planning and management is focusing on improved and maintained wellbeing of people and ecosystem products in order to achieve the highest possible wellbeing of its people. Therefore urban environmental planning is concerned with people within their ecosystem as long as people are supported by the ecosystem that surrounds them. Findings from this study reveal that sustainable use of nurseries and their output is a key to achieve ecosystems and proper planning of our cities. From the nurseries, habitants of Moshi were able to access different species of trees at cheap prices ranging from

Tshs. 500/= to Tshs. 5000/= and plant them in their residential areas and farms this enhances the green city. These nursery trees and flowers were found to support the growth of variety of insects, which generate foods and organic manure necessary for farming and gardening activities. On top of that the trees generate fresh air and conducive climatic condition. Thus sustainable use of resources from these agribusiness social enterprises can have significant impacts on the biodiversity as they support far beyond the urban and peri-urban environment. However it was noted that there are no clear urban policies, plans and guidelines which central around the protection of ecosystem services, moreover there is limited awareness of this concept from the community level to within both national governments and local administrations.

#### **4.0 RECOMMENDATIONS**

Based on the findings of this study, we recommend the following to be done;

City planners should equip this sector with proper infrastructure like surveyed and serviced business premises, modern communication network and utilities like water which is essential for the operations of the nursery gardens. The town Master Plan must recognize the role of the informal sector and therefore provide conducive environment for this sector activities in the municipality. This in turn will reduce their invasion of the open spaces, unused roads, reserved areas and road reserve as a major means of acquiring land for their businesses.

Reducing rural-urban imbalances, by promoting rural industrialization which is focusing at increasing non-farm income activities and employment opportunities and improving the physical infrastructure of the rural population. We also encourage innovation as innovative social enterprises make significant contribution to the global economy with respect to enterprise development and new job creation. This goes together with sensitizing and educating operators of social enterprises on the importance and impact of registering their businesses to the respective authorities and operating formally as this will promote their recognition and enhances the provision of supporting services like infrastructure, training, access to markets and finance, and they will contribute to Government revenues through taxes.

We also recommend a need to develop urban policies and plans around the protection of ecosystem services, as there is limited awareness of this concept within both national governments and local administrations. Also urban planning must be sensible in synchronising public interest against private interest. This is very critical especially when making decisions associated with economic development and growth of the people.

We finally recommend the adoption of the nursery accreditation schemes which are an important new development in production and retail sectors like the nursery industry. These schemes do offer technical support on product quality, safety, marketing and customer services which are offered to through guidelines and independent advice with the view of promoting best planning and management practices. As a result they help in raising the status and professionalism of the industry, improved efficiency, better management, enhanced

professional recognition and increased profitability.

## **5.0 POLICY IMPLICATIONS**

Findings from this study have opened a number of constraints that are facing operators of micro and small agribusiness social enterprises which need to be effectively addressed through policies related to the sector. Policies and legislations such as the Land use planning Act of 2007, Urban planning Act of 2006, SMEs development policy of 2003, the 1997 Agriculture and Livestock Policy, the National Trade policy of 2003, Human Settlement Development Policy of 2000, SMEs development policy of 2003, the 1997 Agriculture and Livestock Policy, National Trade policy of 2003, and Land Act of 1999 are found to be connected with the key issues addressed in this study.

The agribusiness environment in Tanzania is characterized by bureaucratic, costly and centralised legal and regulatory framework. Other constraints as includes; Lack of awareness among residents on urban development policy and legislative requirements, Political interference in city planning practices, Exclusion of the local actors in formulation, implementation and monitoring of urban development plans, Institutional and structural conflicts, locational conflicts – no formal working premises, limited access to extension services, inputs and credit facilities necessary to stimulate product diversification; weak market linkages due to poor infrastructure; and lack of market knowledge and information necessary to facilitate market diversification. This largely affects all sizes of businesses, though small enterprises are more constrained in this environment in comparison to larger businesses due to the disproportionately heavy costs of compliance arising from their size (SMEs Policy, 2003). As a result most of micro and small social enterprises have failed to formalise, grow and graduate into Medium and Large Enterprises.

There is a need for the Government to review the current Development Policies and legislations by paying much attention to these disproportions in the legal and regulatory framework and working environment. We call upon a need to simplify business registration and licensing procedures, along with efforts to build an enabling environment for social enterprises to see the importance of paying taxes to the respective authorities, as it was found a large number of operators in these ventures are not registered and do not pay tax. Involving local communities in the formulation & implementation of policies on urban development, There is also a need to review the current policy to accommodate garden livelihood strategy in urban centres, Simplifying business registration and licensing procedures for sustainable resource allocation, Proper allocation and development of land for socio-economic activities, and adoption of Policy initiatives that will improve the physical infrastructures and provision of utilities. Others includes Need to strengthen research & extension services for nursery gardening, Promoting and encouraging agro mechanisation through urban agricultural modernisation programme

The Government should to come up with policy initiatives that will improve our cities development and planning through physical infrastructures and provision of utilities in collaboration with Local Authorities, private sector and development partners. This may be

achieved through strategies such as proper allocation and development of land for MSEs, development of industrial clusters, trade centers and make use of underutilized public areas to micro and small social enterprises.

## **CONCLUDING REMARKS**

Nurseries gardens have a significant contribution towards economic growth, employment creation, income generation and distribution, utilization of scarce resources, incubation of entrepreneurial talents, dispersal of enterprises and stimulation of socio-economic development. They also very important driving force on achieving livelihood of poor resource persons. However they do have the ecological impacts on environmental justice issues within the changing climatic conditions and livelihoods in the city. Institutional conflicts and structures on business premises allocation, Informality and inadequate reliable marketing information are some constraints noted. The study concluded that for effective and sustainable growth of these social enterprises and enhanced sustainable livelihoods and city development we need a well integrated city development plan which encompasses with structured and strengthened institutional context in terms of improved industry's operating environment along with access to business premises and markets, financial aspects, affordable entrepreneurial, and business management skills and training.

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## **BIOGRAPHICAL NOTES**

Mr. Isaac Kazungu is working as assistant lecturer and researcher at Moshi University College of Cooperative and Business Studies (MUCCoBS) - A Constituent College of Sokoine University of Agriculture, Tanzania. Mr. Kazungu’s fields of interest include Livelihoods, Urbanizations, Agricultural Marketing, Marketing Research, Project Planning, Economics, Business and Social Research methods. He has been involved in teaching courses, carrying research and assists consultancy services related to the mentioned areas of interests. He has vast experience working with national and international institutions and donor community in teaching, consultancy and research capacity including but not limited to HUMBER Institute of Technology, Meru District Council, Bagamoyo District Council, IPG-Freiburg University, and VW Stiftung Foundation of Germany. He is a member of Livelihood Urbanization and Natural resources in Africa (LUNA) which is a team of researchers five African countries and Germany, and active member of the Cooperative and Entrepreneurship Innovative Centre (CEIC) in Moshi under HUMBER/MUCCoBS partnership.



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