

The Impact Of Small Scale Trade On Poverty Alleviation To Traders' Households In Micheweni District In Zanzibar

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Abstract:

The study examined the impact of small scale trade on poverty alleviation among traders' households at Micheweni District in Pemba Island. A total of 94 respondents were involved. Questionnaire, interview and observation were employed for data collection. Findings revealed that to a certain extent, small scale traders were able to meet their daily needs. Again, the study discovered challenges that hinder trade progress towards alleviating poverty. The study concluded that there was inadequate impact of small scale trade towards poverty alleviation among small scale traders' households at Micheweni District. Therefore, it was recommended that government should allocate special strategies to address the poverty situation in the district.

Key words: (multidimensional, basic needs approach, relative poverty, absolute poverty, MDGs)

1. Introduction

Poverty is one of the major global problems that is broadly conceived as the inability to attain a minimum standard of living (World Bank, 1990). Since it has continued to be pervasive in the world development, consciousness about alleviating poverty began to evolve globally. Littlefield et al (2003) argue that poverty alleviation has been a matter of global concern and leading agenda in the field of development and among development practitioners ranging from international, multinational and bilateral development to local agencies as well as governments and even individuals worldwide.

Again, Makombe et al (1999) asserted that poverty alleviation refers to lifting the poor out of poverty. Following this conceptualization, various strategies have been implemented to alleviate poverty at international, national, local government and household/individual levels. For instance, Kapinga (2007) maintains that in the late 2000s, world leaders set up Millennium

Development Goals (MDGs) that among other things have noted the question of poverty alleviation with concern of MDGs. It has focused on reducing of poverty by fifty percent (50%) by 2015.

On the other hand, Bagachwa (1994) observed that developing countries stand as major victims of poverty regardless of the introduction of small scale businesses to address the problem. Contextually, trade liberalization in Tanzania has prompted an influx into urban areas by a vast number of petty traders mainly the youth aged between 20 and 29 (URT, 2005). More specifically, Seithy et al (1998) observed that economic liberalization and diversification had been introduced in Zanzibar since 1984 as an attempt to encourage both local and foreign investors among other things to work with people against poverty. Related to small scale business policy, various groups of entrepreneurs have positively responded to implement the policy where it is argued that, in Zanzibar, small shop

keepers, street vendors, tourist guides, bus drivers and food sellers are now a common sight in the streets and they make a major contribution to the Isles' economy (<http://www.zmc.go.tz/english/business>).

Correspondingly, as one of the districts in Zanzibar, Micheweni has the highest incidence of extreme poverty, with thirty three percent (33%) of people living below the food poverty line (RGZ, 2007). Most of respondents from Micheweni reveal that for almost a decade now, there have been a growing number of people engaging in small trading activities on expenses of agriculture. That among other things could be associated with frequent drought experienced in the area that retards agricultural development affecting many peoples' earning projects. It is on that framework where many people at Micheweni opted for small scale trade instead of agriculture. Seithy et al. (1998) associate that shifts more specifically, with the decline of clove prices in the world market while at Micheweni it remains as a major cash crop.

The main objective of this paper, therefore, was to examine the impact of small scale trade on alleviating poverty among traders' households as a critical issue focusing on how small scale trade can have an impact on poverty alleviation at household level (Mnenwa et al. 2008). Specifically, the study evaluated trading situations of small scale traders, assessed the impact of small scale trade on alleviating poverty among small scale traders' households, examined challenges facing trading activities of small scale traders and explored opportunities on improving trading activities of small scale traders at Micheweni District.

2. Literature review

Various authors have defined poverty differently and by using diverse approaches. In the work on *Voices of the Poor: Can Anyone Hear Us?* Narayan et al., (2000) concluded that poverty is a "multidimensional" social phenomenon. Its causes vary from gender perspectives, age, culture, and other social and economic contexts. In Ghana for instance, men associate poverty with lack of material assets, where for women poverty is defined as food insecurity (Narayan et al, 2000). Narayan further insisted that in Guatemala,

poverty is defined as having inadequate food and housing and having to rely on charity, where as in South Africa, poverty is defined as having no job. Accordingly, in the Tanzanian context, poverty is defined as a state of deprivation of prohibitive of decent human life (URT, 1998). In its extreme form, poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, access to education, clothing and shelter. This is also referred to as absolute poverty or destitution. Relative poverty is the condition of having fewer resources or less income than others within a society or country, or compared to worldwide averages. Poverty never results from the lack one item, but from many interlocking factors that cluster in people's experiences and definitions of poverty (Narayan et al., 2000). Therefore, for the sake of this study poverty can be defined as inability to meet human basic needs including; food, health care, shelter, education and transport facilities.

There are many strategies that have been implemented to alleviate poverty at international, national, local government and household/individual levels. Poverty alleviation involves improving the living conditions of people who are already poor (Makombe et al., 1999). Many countries in the world especially in developing countries, have designed policies and strategies to alleviate poverty. For instance, Kapinga (2007) suggested that reduction of abject poverty is one of the Millennium Development Goals set by UN 2000. Tanzania identified several strategies intended to alleviate poverty as expressed in several papers including: The Tanzania Development Vision 2025; National Strategy for Growth and Reduction of Poverty Strategy (NSGRP) and Zanzibar Strategy for Growth and the Reduction of Poverty (ZSGRP) in Zanzibar (RGZ, 2007).

There is no specific indicator for measuring poverty (Minujin et al., 2006). The approaches are influenced by differences in social and economic development. They can be categorized into two groups: single Approach (Monetary Approach) and Multidimensional Approaches (Basic needs, Human rights, Capacity approaches). For the sake of this study, only basic needs approach was

reviewed because the people on the ground had more immediate functioning strong economy in their struggle towards poverty alleviation. The approach regards poverty as the inability to satisfy a socially defined set of needs that allow an individual to participate in the society. According to UNDP, basic needs include food, safe drinking water, sanitation facilities, health, shelter, education, transport and information facilities etc (UNDP, 2004). Researchers agree with the UNDP definition but for the sake of this study only food, health, education and means of transport were measured because they can be easily contextualized to reflect peoples' life on the ground. According to basic needs poverty can be measured directly, thus attempting to unveil the factual satisfaction of needs compared to needs against a normative threshold. Unsatisfied basic needs can be observed directly but standards are needed to compare the results. Indirectly, the measurement can be done to measure the resources that a household commands and compare the magnitude and composition of these resources required to meet their basic needs (Minujin et al., 2006). In this study, indirect approach was employed to measure basic needs accessibility to small scale traders' households impacted from their trading activity.

On the other hand, small scale trade/business sometimes referred to as micro businesses (this is a term used by international organizations such as The World Bank and The International Finance Corporations. It is the one which is independently owned and operated, and not dominant in its field of operation (Biryabarema, 1998). There is no universally accepted definition of small enterprises (Olomi, 2003). The commonly used yardsticks are total number of employees, total investment and sales turnover. In the context of Tanzania, small scale trades are those engaging up to 4 people, in most cases family members or employing capital amounting up to Tshs.5.0 million (URT, 2002). For the sake of this study, small scale trade is the one that employing capital amounting up to 2,000,000 Tanzania shillings to be established and personally handled by the owners at household level.

Small and medium enterprises have remained as much important and relevant economic catalysts

in industrialized countries as they are in the developing world (Onugu, 2005). In many developed countries, more than 90% of all enterprises are within the SME sub-sector while 80% of the total industrial labour force in Japan, 50% in Germany and 46% in USA small businesses contribute nearly 39% of the country's national income (<http://www.economywatch.com/business/small-business>). Kazooba (2006) asserted that in Africa, the number of small scale business in Uganda has grown from 800,000 in 1995 to about 2,000,000 in 2002. These serve about 6,000,000 people at business and household level of the 26.3 million populations. Wangwe (1999) added that in Tanzania, small businesses were estimated to account for a significant share of Gross Domestic Product (GDP) up to 35% and to employ about 20% of the labour force. Furthermore, The Zanzibar Municipal Council states that small shop keepers, street vendors, tourist guides, bus drivers and food sellers are now a common sight in the streets of Zanzibar and make a major contribution to the city's economy (<http://www.zmc.go.tz/english/business.htm>).

The above reviewed literature revealed that small scale trade has a great impact on alleviating poverty. Many studies concentrated on examining the impact of small scale trade on poverty alleviation at national level. However, most of these studies were inadequately addressing the impact of small scale trade at traders' households' level. Therefore, this study intended to fill that gap of knowledge and understanding by examining the impact of small scale trade on alleviating poverty of traders' households.

2.1 Conceptual Frame Work

Figure 1 below presents a conceptual frame that relates the small scale trade and poverty alleviation. The frame work shows that small scale trade has notable impact towards alleviating poverty. Through trading processes and activities, small scale traders generate income and are employed. Again, the traders develop new business skills, innovations and develop good relationship with other members of the community. Furthermore, Figure 1 demonstrates that although small scale traders play a great role in alleviating poverty, there are challenges such as

low income, poor nutrition, poor health care, poor clothing, poor housing, and poor access to information and transport facilities. All these hinder progress in their trading activities. To achieve a positive impact of the small scale traders, there must be measures that allow trade to operate productively. These may include provision of aids and loans without interest and business training. Also, there must be control of price fluctuations, access to reliable electricity, presence of sound business tax and tariffs, ready market and good transport facilities. Thus, when productive measures are put in place then alleviation of poverty will be achieved. As a result, there will be an increase of income, access to good nutrition, good health care, good clothing, good housing, acquisition of assets, and changes in life style.

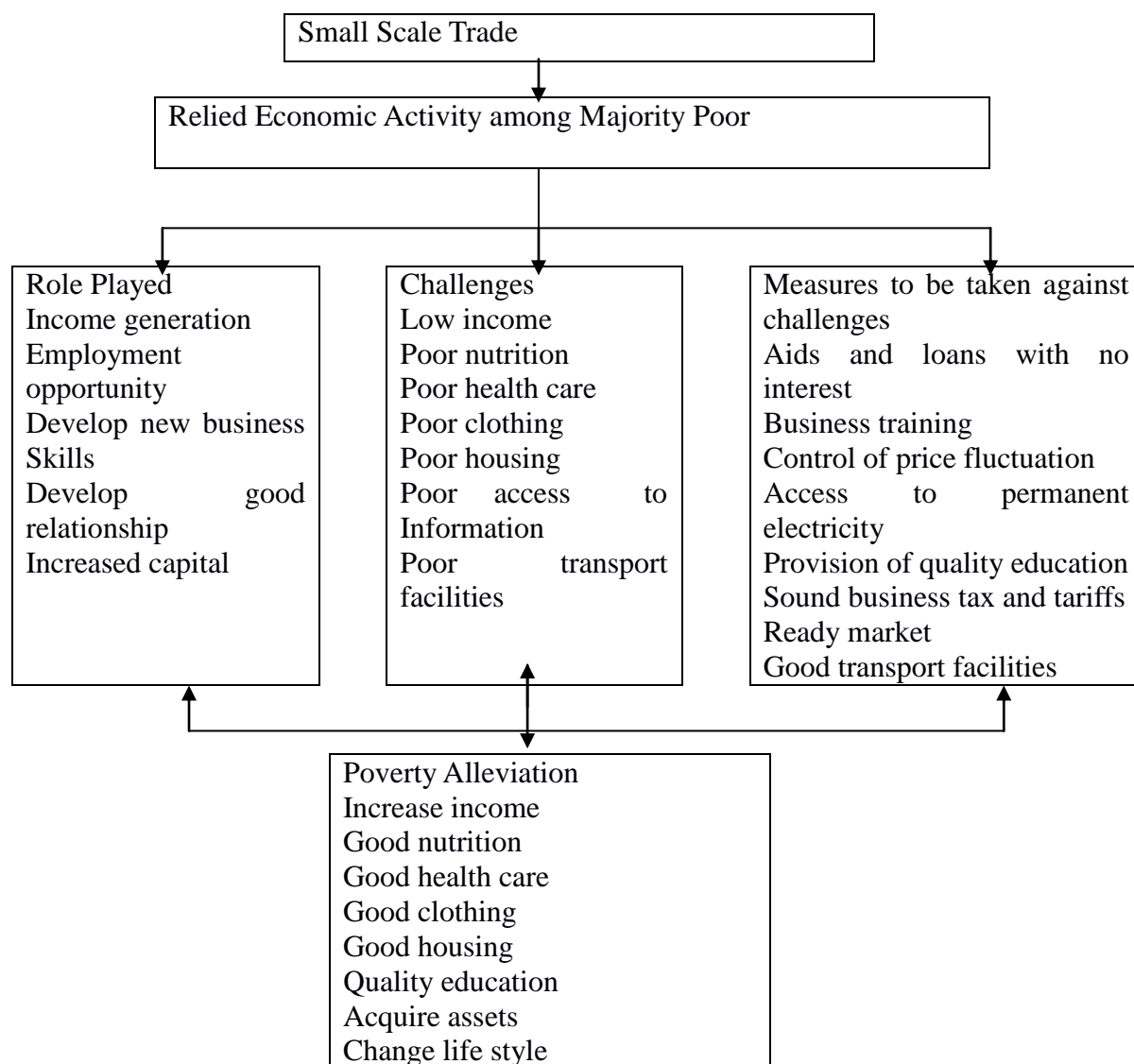


Figure 1: A Conceptual Framework for the Relationship between Small Scale Trade and Poverty Alleviation

Source: Modified from Mboya, 2005

Methods and Materials

The study was conducted at Micheweni district located in the northern part of Pemba Island. The district is highly vulnerable to poverty in Zanzibar and Tanzania in general. This is due to its position being situated on the same arid area. The small scale trade is growing very fast due to the decline of clove production and frequent droughts which hinder agricultural activities in Micheweni District. The study used descriptive research design. Stratified and purposive sampling techniques were employed in selecting the required sample. Forty two retail shops dealers were involved in this study, ten marine products sellers, 10 agricultural products sellers, 10 tea rooms' dealers, 8 beverage and 7 snacks vendors were stratified selected while 5 government and 2 NGOs officials were purposively selected. Data were collected through questionnaire, interview and observation. Questionnaires were employed to collect data from small scale traders while interviews were used for government and nongovernment officials'. Also, observations were applied by the researchers on the ground.

Results and Discussion

This section presents and discusses the research findings on the impact of small scale traders on poverty alleviation. The responses were made available on the basis of four research objectives.

4.1 To Evaluate Trading Situations of Small Scale Traders at Micheweni District

Under this specific objective the main concern was to investigate the types of trading activities by small scale traders, time span of trade, capital employed to initiate business, profit earned per day and access to business support. The discussions of the findings were as follows.

4.1.1 Types of Trading Activities Engaged by Small Scale Traders

The Findings from questionnaires revealed that there was existence of a variety of trading activities conducted by small scale traders in the district. These include; retail shops, marine products selling, agricultural products, tea room, beverage and snacks as table No.1 below indicates

the findings.

Table 1: Distribution of the Types of Business Engaged by Small Scale Traders

Type of trade	Frequency	Percentage
Retail shops	42	48.3
Marine products	10	11.5
Agricultural products	10	11.5
Tea rooms	10	11.5
Beverage	8	9.2
Snacks	7	8.0
Total	87	100.0

Source: Field data, 2010

Table 1 above demonstrates that 48.3% of respondents work on retail shops, while 11.5% are engaging in fishing activities because they are nearby the sea. Although they lack modern fishing gears in their fishing activities, they are engaging on traditional and primitive fishing system. Another 11.5% of respondents had shown that they were engaged in the selling of agricultural products. These agricultural products come from other parts of the Island, while another 11.5% were engaged in small restaurants and 9.2% of respondents worked on beverage as compared to 8.0% who were involved in snacks.

Accordingly, the findings imply that there was a good number of trading activities among small scale traders. Therefore, specialization in business could be considered as an entrepreneurial skill and a positive impact towards poverty alleviation. This is because specialization by its nature avoids competition and promotes efficiency and productivity among the participant groups. The low competitions in business and market, implies that, traders were expected to earn huge profit which could result positive impacts on poverty alleviation.

4.1.2 Time Span for Trade

The other question posed to respondents was:” When did was your was your business begin? The findings from the questionnaire revealed different answers from respondents. The difference ranged from 1 month to 11 years and above. Table 2 below indicates the distribution of responses.

Table 2: Distribution of Time Span of Trade

Time span	Frequency	Percentage
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1month-1year	7	8.0
2 years-5 years	32	36.8
6 years-10 years	20	23.0
11+ years	28	32.2
Total	87	100.0

Source: Field data, 2010

Table 2 above illustrates that 8.0% of all respondents were engaged in trade activities for a period of between 1 month and 1 year as compared to 36.8% who worked for a period of between 2 to 5 years. Again, 23.0% of respondents were engaged for a period of between 6 to 10 years while 32.2% involved between 11 years and above.

The results imply that the time span of most businesses is adequate as a determinant factor that may contribute in bringing about positive changes towards poverty alleviation. This is because the longer the time span of trade the more experience and skills expected to be obtained by a trader. This, places the trader in a better position to face challenges and run the trade productively. The productive trade is the one that can positively support the small scale traders' attempts towards poverty alleviation. However, the researchers observed that most of trader at Micheweni operated for not more than five hours a day. Fundamentally, that tendency is against the characteristic feature of a successful small business. Nigerian small scale traders open their business units from early in the morning till late in the night. Based on those facts, the negative impact of small scale trade could also be associated with inappropriate use of the time factor. It can thus be concluded that if the existing inappropriate use of time spent for doing business continues it is obvious that the move towards poverty alleviation cannot be made.

4.1.3 Capital Used to Initiate Business

The Findings from questionnaire reveal different rates of capital spent by respondents to initiate trade. The rates ranged between 50,000 and 2,000,000 Tanzania shillings. Table 3 below illustrates the distribution of responses.

Table 3: Distribution of Capital Used to Initiate Business

Capital (TSH)	Frequency	Percentage
Below 50,000	38	43.7
50,000-100,000	22	25.3
200,000-500,000	16	18.4
600,000-900,000	5	5.7
1,000,000-2,000,000	6	6.9
Total	87	100.0

Source: Field data, 2010

Table 3 above demonstrates that 43.7% of respondents initiated business with a capital of below 50,000 shillings compared to 25.3% who initiated business with a capital between 50,000 and 100,000 shillings. Again, 18.4% initiated business with a capital between 200,000 and 500,000 shillings. In addition to that, 5.7% respondents initiated business with a capital between 600,000 and 900,000 shillings. Furthermore, 6.9% initiated business with a capital between 1,000,000 and 2,000,000 shillings.

The findings suggested that most of capitals used to initiate business are of low amount to enable traders earning a reasonable profit. That could be associated with poor exposure of the area to both local and foreign investors who could invest and stimulate the rate of money circulation in the area. As Kapinga, (2007) argues, that a very poor state of infrastructure makes it difficult to attract local investors to the rural areas where almost 80% of Tanzanians live. This has been an obstacle in the promotion of SMEs, especially in rural areas. Based on that evidence, the researchers associated that situation with lack of government accountability on promoting small businesses, particularly in rural areas. On the ground, the researchers observed a number of retail shops that were closed due to the decline of their initiating capital. Therefore, the researchers concludes that poor capital spent to initiate trade could result poor profit and thus, small scale traders fail to have impact on alleviating poverty.

4.1.4 Earned Profit per Day

On the question on earned profit per day, the findings from questionnaire differed among respondents. The profit varied between below 500 and 11,000 shillings and above. Table 4 below

illustrates the distribution of responses.

Table 4: Distribution of Profit per Day

Shillings	Frequency	Percentage
Below 500	3	3.4
500-2000	25	28.7
2500-5000	36	41.4
6000-10, 000	19	21.8
11,000+	4	4.6
Total	87	100.0

Source: Field data, 2010

Table 5 above demonstrates that 3.4% of respondents earned profit of below 500 shillings compared to 28.7% who earned between 500 and 2000 shillings. Again, 41.4% of respondents earned profit between 2500 and 5000 shillings while 21.8% earned profit between 6000 and 10, 000 shillings. In addition to that, 4.6% of respondents earned profit between 11, 000 shillings and above.

The researchers maintains that those who earned relatively high profit between 11,000 shillings and above could be associated with growing capital supported by their relatives and business skills and experience. While those earned relatively low profit between below 500 and 2000 shillings could be associated with stagnant capital and lack of business and entrepreneurial skills. For instance, instead of selling popular goods which are in high demand they sell unpopular goods. Scale business in Nigeria is characterized by good small scale businessmen who mainly sell popular goods like food items that are always in high demand. Based on those facts, the researchers associated this situation that lack business and entrepreneurial skills. On this ground, we noted that there was no any business institution in the study area. It can therefore be concluded that business training is among the key factors for poverty alleviation in business.

On the other hand, when respondents were interviewed on the contribution on small scale trades the government officials from Majenzi and Konde Sokoni revealed that they contribute about 50% of all government income. While government officials from Kiuyu Maziwang'ombe and Majenzi argued that small scale traders contribute average of 25% of all village government income. Therefore the findings to

somehow show reasonable role played by small scale traders to the village government income compared to their earned profit. This could be related to high charge associated with tough rules and regulation governing small scale businesses in the area. The observation demonstrated that some retail shops being closed for almost two days to escape government officials who were in the operation of charging business license.

NGOs officials of Development Organization (KIMADO) at Kiuyu Maziwang'ombe village and Konde Development Organization (KDO) at Konde Sokoni village argued nearly the same that their clients are now equipped with some business knowledge and skills. For instance, they have organized in groups and now preserve their fish in refrigerator for future sales if the market is poor. The official of KDO added that: "Hapa kwetu wachuuzi hawakuwa na tabia ya kuhifadhi samaki wao hata kama ni wengi vipi, wakiwaacha tu wakaoza". This quotation means: The fish mongers in the area did not have a custom of preserving their fish whatever large amount they had. Most their stock they left them decaying or used the traditional methods to preserve them. But these stock were not giving them the profit they aspect. Based on that situation, the responses could be associated with lack of business centers that could provide business entrepreneurial skills.

According to the survey conducted in the Field it shows that 100% respondents do not access any financial aid, loan and training from the government, business related NGOs and development partners except some respondents who get financial support from their relatives. The situation is different where in other places small scale traders are assisted by government, NGOs, development partners, banks and even political parties. For instance, Muraya (2004) reveals that Kenyan government tends to favour small-scale enterprises making them the main recipients of government support because they have potential for growth and employment creation. Based on that evidence the researcher associated that situation with lack of government accountability. On the ground, due to lack of business support particularly financial aids and loans, therefore we observed some shop that were closed. Therefore, it can be argued that lack of government support

to small scale traders could deteriorate potential impact on poverty alleviation in their households. On the other hand, contrary to what small scale traders responses when interviewed NGOs officials pointed out that small scale traders specifically fish mongers are supported. For example, the NGOs officials of Development Organization (KIMADO) at Kiuyu Maziwang'ombe village and Konde Development Organization (KDO) at Konde Sokoni village argued nearly similar that they are dealing with fishmongers where they provide knowledge and skills on how to trade productively. For instance, they argued that in order to solve the problem of poor market they should train on how to cooperate in groups and buy refrigerators for preserving their products particularly when the days where market is very poor. This contradiction on responses on access to business support could be associated with a notion of small scale traders that financial assistance is the real support and not otherwise. Therefore, they do not consider training as a support. On the other side, it could be associated with theoretical based NGOs. Moreover interviewed government officials from Kiuyu Maziwang'ombe, Majenzi and Konde Sokoni villages revealed that there is no any kind of business support given to small scale traders. The officials from Majenzi village added the following remarks: "Mie binafsi nilimuuliza Raisi Kikwete ana kwa ana kuhusu msaada akaniahidi, na vile vile kuna ahadi ya Raisi Amani". This quotation means:

Himself he asked President Kikwete face to face for assistance and he was promised, also there is a Promise given by President Amani." The remarks could be associated with poor or late promise implementation given by some central government officials which is an obstacle to development. In addition to that, local government officials could be considered as good leaders who know exactly the real situation of their people and their willingness to help them. Generally, it can be concluded that business support is important for small scale traders particularly those in rural areas on the move towards alleviating poverty.

4.2 To Assess Impact of Small Scale Trade on Alleviating Poverty among Small

Scale Traders' Households

Under this specific objective the main concern was to investigate; Access to Meal per Day, Estimated Treatment Cost per Year, Estimated Educational Cost per Year, and Access to Means of Transport.

4.2.1 Access to Meal per Day

On the question on access to meal, from questionnaires all respondents agreed that by performing trade their access to meal is assured. However, respondents differed on extent which their business contribute to the daily meal.

Table 6 below illustrates the findings.

Table 6: Extent and Distribution of Times on Access to Meal a Day

Extent	Meal	Frequency	Percentage
Little	One	13	15.0
Moderate	Two	63	72.4
Greater	Three	11	12.6
Total		87	100.0

Source: Field data, 2010

Table 6 above demonstrates that, 15% of respondents had little access to meal a day compared to 72.4% that were moderately accessing meal a day. Again, 12.6% of respondents had greater access to meal a day.

Findings revealed that majority of respondents had access to moderate meals followed by those who had access to little meal a day. Apart from relatively low profit earned by almost all respondents those with little meal could be associated with large number of dependents. While those with greater could be associated with small number of dependents. While large number of dependents possesses large amount of money demanded to access meals a day. As Kajiru (2005) exposes that women food vendor's initiative is viewed as means of supporting households' dependents. With the extended family women food vendor's business can only meet daily needs with no future savings. Based on that evidence it is obvious that number of dependents have an impact even on number of meals to be accessed per a trader's household. On the ground, we observed some of households consisted of large number of dependents comprised extended family members. Some of these families are exceeding

more than twelve dependents while some households had small number of dependents. Therefore, under that situation the move towards poverty alleviation among small scale traders automatically could be difficult.

4.2.2 Estimated Treatment Cost per Year

Findings from questionnaire revealed differences on the amount of money spent for treatment among respondents. The variation is between 10,000 and 260,000) shillings and above. Table 7 below indicates the findings.

Table 7: Extent and Distribution of Estimated Treatment Cost per Year

Extent	Estimated cost	Frequency	Percentage
Low	10,000-150,000	67	77.1
Moderate	160,000-250,000	15	17.2
Greater	260,000+	5	5.7
Total		87	100.0

Source: Field data, 2010

Table 7 above summarizes that 77.1% of all respondents spent an average between 10,000 and 150,000 shillings for treatment a year compared to 17.2% respondents who spent between 160,000 and 250,000 shillings. Again, 5.7% of respondents spent an average between 260,000 shillings and above.

Based on the findings, overall, the amount of money spent for treatment cost a year is relatively low. However, the difference on the amount spent between one respondent and another could be attributed by the nature of disease to be treated. As Health link Worldwide (2002) argues that disability has the effect of compounding the problems of poverty. This means that nature of disease is a main factor that determines how much money to be spent to cure such disease. Therefore, respondents' households that spent relatively low amount of money could be associated with problems of common diseases like malaria which is common diseases in the area, fever and headache. Those who spent greater amount could be associated with some members who were suffering from persistent diseases like diabetes, tuberculosis (TB), mental illness, scurvy, epilepsy and asthma. On the ground, we observed some people suffering from mental illness and

asthma. Generally, it can be concluded that, small scale traders will not have impact towards poverty alleviation unless diseases are controlled.

4.2.3 Estimated Educational Cost per Year

On the question posed on educational cost per year, findings from questionnaires indicated 75/87 respondents were paying educational cost for their household members. However, the cost paid differed among respondents.

Table ten 8 below illustrates the findings.

Table 8: Extent and Distribution of Estimated Educational Cost per Year

Extent	Cost	Frequency	Percentage
Low	10,000-100,000	30	40.0
Moderate	110,000-200,000	43	34.6
High	210,000-300,000	19	25.4
Total		75	100.0

Source: Field data, 2010

Table 8 above demonstrates that, 40.0% of respondents spent an average between 10,000 and 100,000 shillings compared to 34.6% who spent between 110,000 and 200,000 shillings. Again, 25.4% of respondents spent between 210,000 and 300,000 shillings.

Based on the findings, overall, the amount of money spent for educational cost a year is relatively low. However, the difference on the amount spent could be associated with a gap of earned profit between one respondent and another. Experience show that people who have relatively high income spend a lot of money looking for quality education for their children compared to low income people who spend little amount of money and therefore access to poor quality education. This relates to what Wedgwood (2006) observed that only children from communities with the ability to supplement state provision through school contributions or tuition had a reasonable chance of getting to quality education. Based on that experience, respondents who paid relatively low amount could be associated with relatively low profit in their business. Those who paid relatively high amount could be associated with relatively high profit in their business and therefore paid for extra lessons (tuition classes) so as to ensure access to quality education for their

children. On the ground, we observed that almost all students were studying in government schools where educational cost is reasonable to almost all respondents. However, it could be associated with poor quality education. Therefore, we can conclude that amount of money spent for almost all respondents for education cost is very limited. This is due to the wages that teachers are being paid. Most of the Zanzibar teachers are being paid low salaries which are not equivalent to expenditures. As Rajani (2001) argued that there are reports that some teachers deliberately under teach in order to coerce pupils into attending their private tuition classes.

4.2.4 Access to Means of Transport

Findings from questionnaires demonstrated that fifty nine out of eighty seven respondents had access to means of transport. However, respondents differed on which means does one possessed.

Table 9 below summarizes the findings.

Table 9: Distribution of Respondents Who Had Access to Means of Transport

Means of transport	Frequency	Percentage
Bicycle	48	81.4
Motorcycle	9	15.3
Both bicycle and motorcycle	1	1.7
Car	1	1.7
Total	59	100.0

Source: Field data, 2010

Table 9 above indicates that 81.4% of respondents had access to bicycles compared to 15.3% that had access to motorcycles. Again, 1.7% of respondents had access to both a bicycle and a motor cycle while 1.7% had access to car.

The experience in Pemba and Zanzibar in general, possessing a bicycle, a motor cycle or a car gives different interpretations. For instance, respondents who had bicycles could be associated with a relatively low profit in their business compared to respondents who had access to a motor cycle or both a motor cycle and a bicycle, who could be associated with relatively moderate profit. Again, a respondent who had access to a car could be associated with a relatively high profit in his/her

business. On the other side, the majority of respondents (81.4%) possess bicycles. On this ground, we observed that poor road system limit passengers' cars to reach the inner parts of the villages, particularly in Kiuyu Maziwang'ombe. Kapinga (2007) argued that very poor condition of infrastructure in Tanzania has been an obstacle in the promotion of small businesses, especially in rural areas. Based on that evidence, this situation could be associated with poor accountability of government in the area. Thus, the move of small scale traders towards poverty alleviation could only be succeeded if good infrastructure is assured.

4.3 To Examine Challenges Against Trading Activities of Small Scale Traders at Micheweni District

Under this specific objective, the main concern was to examine the challenges against trading activities of small scale traders at Micheweni District. Here under the discussion of the findings.

4.3.1 Challenges against Trading Activities of Small Scale Traders

On the question of challenges, all respondents agreed on the presence of challenges that hinder trade progress. However, the number of respondents who supported one or another challenge differed.

Table 10 below demonstrates the findings.

Table 10: Distribution of Challenges against Trading Activities of Small Scale Traders

Challenges	Frequency	Percentage
Borrowing without being paid back or on time	33	37.9
Low capital	21	24.1
Poor market/few customers	13	14.9
High business license charge and high tax	11	12.6
Lack of business education	9	10.3
Total	87	100.0

Source: Field data, 2010

Table 10 above shows that 37.9% of the respondents said that they were borrowed being paid back or on time as the leading setback. The situation could be associated with customers who are not honest though they are trusted because in small scale businesses, customers are highly

respected. Scholars from Nigeria points out that small scale trade customer is highly recognized and respected. In Kiuyu Maziwang'ombe village, the researcher observed a child who was asked by his father borrowing three kilos of rice from one retail shop. Generally, under such situation small scale traders could not have an impact on alleviating poverty.

Again, low capital ranked the second challenge facing small scale traders in Micheweni. The findings indicated that 24.1% of respondents pointed out that they were suffering from low capital in their business. In Kenya for instance, the problem of low capital among small scale businesspersons is tackled through financial support from the government. As GOK (1995) argues, that the government promot the sector by providing electricity, constructing roads, providing financial support and sensitizing the public on the significance of the sector to the Kenyan economy. On this ground, the researcher discovered that some retail shops had of items of not more than 50,000 shillings. Based on that fact, the problem of low capital among small scale traders could be associated with lack of financial support from government. Therefore, in that context, the efforts of small scale traders towards alleviating poverty could not be promising.

On the other hand, an interview was made with government officials. The results revealed a similar situation of low capital. One government official from Majenzi village had this to say: "Kilio cha wafanyabiashara wetu ni mitaji midogo na hivyo yazidi didimia siku hadi siku". This means: The cry of our small scale traders on the problem of low capital and continues to decline daily. This implies that the majority of small scale traders are suffering from low capital. This may affect small scale traders to bring about a positive on poverty alleviation.

Again, an interview was made with non government officials. The same problem of low capital was also pointed out. The KDO official dealing with fish mongers in Konde Sokoni village commented the following: "Wateja wetu wanashindwa kununua mafriji ya kuhifadhia samaki kwa sababu mitaji yao ni midogo, wapata pesa ya kijio tu". This means that, Their clients are not able to buy refrigerators for preserving

their fish because of low capital, they only get that meet their dinner. This comment reflects the real picture of the problem. In that situation, small scale traders could not be expected to have a positive impact on poverty alleviation.

A poor market or few customers was identified as another obstacle. The findings demonstrated that 14.9% of the small scale traders associated poor performance of their trade with poor market/few customers. This could be attributed to lack of business skills, for instance, failure to sell goods at a low price which yields small profit but a quick turn over. The characteristics of small scale business that is the price of goods are low which results in small profit but quick turn over. This correlates with what we observed on the ground where some goods like fish were sold at high price. In addition to that, poor market could be associated with poor government commitment on promoting small business. This is because in some areas the government is responsible to create a conducive environment for small scale business to operate productively. According to GOK (2003) the government is also promoting small-scale business by providing an enabling environment through financing, licensing and marketing of products. Based on that evidence it is obvious that government commitment still is low. In that situation therefore the move towards poverty alleviation among small scale traders could not made.

Again, 4/5 of the government officials who were interviewed reported that poor market was also a serious problem to small scale traders. They associated it with mass poverty in their area where most of people do not have money in their pockets. One government official from Kiuyu Maziwang'ombe said : "Kwa mfano, baadhi ya akina mama huuza maandazi yao toka asubuhi hufika mpaka usiku, matokeo yake huyala kijio". This means: that some women sell burns from until night time and they cannot finish selling them, the results is that they themselves should it them.

In that situation small scale traders obviously could not have a positive impact on poverty alleviation.

In addition to that, 12.6% of respondents pointed out high business license charge and high tax as

another challenge. These could be associated with the lack of flexible policies, rules and regulations that governing small scale trading. This shows that small scale trade to be the one that is carried out with flexible policies, rules and regulations that are easy to change with the changing conditions. Again, the same challenge was reported by Tripp (1997) and URT (2003) that small businesses faced heavy taxation and licensing fees, payment of which often needed to be facilitated through bribery. On the ground we observed that, there were four government organs responsible for collecting business tax and license. The organs include; Tanzania Revenue Authority (TRA), Zanzibar Revenue Board (ZRB), District Council and the Unit of Measurements. In that situation, the move of the small scale traders towards poverty alleviation could not be promising because of these constrains that traders are facing them.

Furthermore, 10.3% of the respondents exposed lack of business education was another obstacle. The situation is against characteristic feature of small scale traders. (http://wiki.answers.com/Q/Small_scale_business_in_nigeria) reveals that small scale traders sell mainly; popular goods like food, items that are always in high demand. Based on that characteristic feature of small scale traders the researcher associated that situation with high level of illiterate rate which is an obstacle to creativity and innovations in business. On the ground, the researcher observed a shop keeper who concentrated on selling soap which is not always in high demand especially in the villages. Generally, business education is a must for business success. Thus, if small scale traders keep on trading without having business skills the move towards alleviating poverty cannot be made.

4.4 To Explore Opportunities on Improving Trading Activities of Small Scale Traders at Micheweni District.

Under this specific objective the main concern was to explore opportunities that could be used to improve trading activities of small scale traders at Micheweni District. The discussion of the findings is as follow.

The findings from questionnaires reveal that all respondents expressed their views on how to

improve their trading activities. However, the responses among respondents differed.

On the other hand, the findings from interview revealed that 5/5 government officials suggested presence of financial institutions as an opportunity. Although there are no banks in Micheweni District, the government officials pointed out that the presence of banks in Pemba will be an opportunity on the basis that if they could support small scale traders in terms of aids and loans without interest. This will be very helpful to them. As one of the official from Kiuyu Maziwaang'ombe village remarked: "Benki zipo Pemba na zakopesha lakini watu hawakopi kwa sababu badala ya kupata faida wapata hasara. Riba n-nyingi". This means: There are banks in Pemba which give loans but people (small scale traders) do not borrow because instead of being benefited they become loser. This is because the loan is associated with high interest rates. Therefore, in order for small scale traders to improve their business the existing financial institutions should operate in the context of that suggestion.

Again, the responses from all interviewed non government officials indicated that the presence of financial institutions is a good opportunity. According to these officials, the small scale traders could not prosper because of the lack of financial and loans assistance as many traders have low capital, as a result they find themselves weakened in their business.

In addition to that, 9.19% of the respondents suggested presence and reliability of electricity is a good opportunity on the basis that if there would be no power rationing. This means that if the available electricity operates in the way that is required the move towards poverty alleviation could be promising.

RECOMMENDATION

Regarding the problem of the impact of small scale trade on poverty alleviation to traders' households in Tanzania we should educate across nations for the brighter future on the poverty eradication. The professionals within the rural communities in the third world should work together to educate, empower the small holders to be out of poverty. We should empower the small scale trade in order to fight the emigration from rural to urban. As well as the improvement of

infrastructural set up and are mostly based on family units, they are ideal to rural areas where in most cases, assets and managerial skills are limited.

Moreover small scale trade requires favourable environmental climate consisting of suitable political, economical and financial policies to flourish. There should be a democratic environment; financial support, stable market communication and a sound educational base to support the trade.

CONCLUSION

The main objective of this paper was to examine the impact of small scale trade on poverty alleviation among traders' households in Micheweni District. Specifically, the study evaluated trading situations of small scale traders, assessed impact of small scale trade on alleviating poverty among small scale traders' households, examined challenges facing trading activities of small scale traders and explored opportunities on improving trading activities of small scale traders at Micheweni District. Generally, it can be concluded that the progress of small scale trade in Micheweni district is poor as most of small scale traders cannot make a positive impact on poverty alleviation in their households. Furthermore the impact of small scale trade poverty alleviation among small scale traders at household's level is still inadequate. Therefore, it is recommended that appropriate measures should be taken to ensure positive impacts are adequately made. Again, small scale traders face a considerable number of challenges which hinder trade progress in Micheweni District. However, at the same area there are opportunities which if correctly explored, small scale traders can have sustainable progress. It is recommended that the government should devise special strategies in Micheweni District so as to address the poverty situation among small scale traders' households. There should also be well committed special NGOs dealing with small scale traders. Further research should look into some of the groups of entrepreneurs like stone brick makers who are usually sidelined for comparative purposes. There is also a need to replicate the study in other villages and districts with a relatively larger sample.

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