

**Performance of Small and Medium Enterprises in Tanzania
Evidence from Vehicle Garages in Arusha and Moshi Municipality
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The government and other stakeholders in Tanzania have made efforts aimed at improving Small and Medium Enterprises (SMEs) in the country. However, little consideration has been directed towards exploring their performance. This study, therefore, was done with the ultimate objective of assessing performance of small and medium vehicle garage enterprises and factors that influenced it. The study used cross-sectional design whereby data were collected once. Sampling procedures involved multistage techniques with two stages whereby the first was used to select geographical locations, while the second was used to select 10 vehicle garage enterprises and the owners. In total, 245 owners of the vehicle garage enterprises were selected for the study. Data were collected using structured interviews, observation, and documentary review methods. Analysis of data was carried out using different statistical tools such as frequency distribution tables, cross-tabulations, bar charts and multiple linear regression equation. Chi-Square tests, samples t-tests, and correlation coefficient r were used to test significance of relationships among different variables. Most of the vehicle garages were small and operated informally as street vehicle garages. In addition, about three-quarters of them experienced low levels of performance. It was further found that most of them did not apply for credit from reliable sources. Credit available to owners; highest education possessed by owners; and innovation possessed by owners were found to influence performance of vehicle garage enterprises positively. On the other hand, financial management skills possessed by owners influenced their performance negatively. Out of the three factors that had positive influence on performance, credit had the largest magnitude followed by innovation while levels of education had the smallest magnitude. This implies that in order to have big impact on performance of the garage enterprises, it was necessary to increase the factors of performance in descending order of their magnitudes. The government, through the two municipalities, was advised to allocate land to owners of the street vehicle garage enterprises for construction of permanent vehicle garages and educate them on the importance of formalising their businesses. Owners were advised to construct permanent garages; establish their own Savings and Credit Cooperative Societies (SACCOs); apply for credit from reliable sources; increase their levels of education; and increase their levels of innovation.