

Participation of People with Disabilities in SMEs Development in Tanzania: Policy Review

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Abstract

This paper concerns people with disabilities (PWD) and their participation in Small and Medium Enterprises Development in Tanzania. The literature on people with disability has now concluded that evolving (PWD)s in Small and Medium Enterprises (SMEs) is an engine for innovation and economic growth. Despite this recognition, the SMEs policy in Tanzania like other developing countries does not provide accurate guidelines for participation of PWDs in income generating activities. Consequently, the absence of clear directives coupled with negative attitudes towards PWDs constrains their participation and contribution to social-economic development. This review paper reports on the desk review findings concerning SMEs policy and participation of PWDs in income generating activities in Tanzania. The review shows that inclusion of PWDs in SMEs development can be important impetus for social and economic development. Therefore, this paper recommends different strategies through which PWDs can be integrated in SMEs development activities such as provision of credit facilities, training, education, infrastructure facilities and rehabilitation services to PWDs.

Keywords: People with disability; Small and Medium Enterprises; Economic Development; Tanzania

Introduction

Disability implies the loss or limitation of opportunities to take part in the normal life of the community on an equal level with others due to temporary or permanent physical, mental or social barriers. Such loss or limitation is aggravated by community's perception of disabled people (Wekesa, 2008). The presence of disability does not only affect the participation of PWDs in the labour market but also to other factors that shape their participation such as education, information and transport (Grammenos, 2011). Low participation of this group in economic activities affects not only their economic and psychological well-being but also the governments in terms of lost output and tax revenues, increased welfare payments and social exclusion and discrimination on civic participation (Kitching, 2014). The anecdotal literature shows that involving PWDs in Small and Medium Enterprises (SMEs) can be an engine for innovation and growth and can help them to reduce poverty (Iddi, 2002). This is because this sector is more labour-intensive and its technologies are easier to acquire transfer and adapt due to their lower overheads and fixed costs. Thus, participation of PWDs in SMEs activities can enable them to realize their aspirations, improve their living conditions and participate more actively in society. Apart from that, there is an agreement in the literature that people with disabilities like others have talents and potentials which if exploited to the maximum can better their lives, families and the community (Wekesa, 2008). Following this recognition, in recent years, many countries have formulated disability policies around the world, both at national and regional levels. Besides,

several low-income countries including Tanzania have also shown positive attitudes towards implementation of disability policies (Yokoyama, 2012).

In Tanzania, it is estimated that around 4.5 million people which is approximately 9 per cent of the population lives with disabilities (ILO, 2009). Nevertheless, this special group has less access to productive resources such as, land, credit and education which limit their participation in economic activities. In addition, disability is still associated with prejudice and negative attitude and PWDs are viewed as worthy of pity and do not form an integral part of the community they live (URT 2004; Wekesa, 2008) and many members of different societies have a negative or stereotype set of beliefs on disability which goes to the extent of harassing PWDs (Yokoyama, 2012).

Despite these challenges, the government in Tanzania has not yet taken deliberate measures to address them. Although, the government has written SMEs policy to guide SMEs activities, the policy treats PWDs like other special groups (women and youth) (Poss, 1996; URT, 2002). As a result, the absence of clear policy constrains PWDs to benefit from available opportunities including access to financial services which is a vehicle for their participation in economic activities. In general, although, it is very clear and conclusive that strengthening entrepreneurs with disability by giving them access to appropriate technologies, skills, knowledge, experiences and affordable financial capital increase their confidence in production and expand their markets (Poss, 1996), the government policy on SMEs in Tanzania does not provide clear guidelines on how this can be achieved. This raises a question on how can we increase participation of PWDs in Small and Medium Enterprises in Tanzania? To answer this question, the remaining part of this paper is organized in five subsections namely the methodology,

the review of the literature concerning people with disabilities and their participation in SMEs activities including strength and weakness of the policy, best practices from other developing countries and finally conclusion and recommendations for policy option.

Methodology

The methodology of this paper is informed by the review question on how participation of PWDs in SMEs activities can be improved in Tanzania? To answer this question, the author uses desk reviews and documentary reviews concerning PWDs and SMEs in Tanzania. The desk review was followed by content analysis of the key government policies, guidelines and reports concerning people with disability and SMEs. The review exercise began with an in-depth analysis of the related literature. This was followed by the review of the government policies, laws and reports concerning people with disability and SMEs in Tanzania. The reviewed documents included National Policy on Disability 2004, SME Development Policy of 2003, and different evaluation reports concerning PWDs and the current empirical literature. The extracts from the analysis were organized in a number of themes; participation of PWDs in the SMEs activities, strengths and weaknesses of the SMEs policy, the best practices from other countries and finally, conclusion and recommendations.

Participation of People with Disabilities in SMEs Activities

The theory and practice provide the necessary conditions which determine participation of PWDs in SMEs activities. One of the conditions is that they must have sufficient and nutritious food; second, they must have access to basic needs and rehabilitation services; third, they must have assistive

devices and psychological support; fourth they must be engaged in social inclusion program and last they must have experience and knowledge on small business (Okon, 2018). Nevertheless, although these conditions are well known, the pace of practice, particularly in developing countries, is still very low. As a result, PWDs are marginalized and they experience high rates of poverty and social exclusion (URT, 2004).

The slow pace of practice is attributed by a number of factors which can be subsumed into cultural, institutional, financial and technical factors. The cultural factor includes the presence of negative attitudes, behaviour and practices towards people with disabilities mainly due to an association of disability with curse and the belief that PWDs cannot work like people without disability (Tungaraza, 2012). The presence of these cultural factors in the community obstruct sharing and learning from the good examples of PWDs. For example, some PWDs have completed their studies and have acquired a very good job and they are now supporting their families including their relatives without disability but these good examples have not been shared in the community (Shiviyawata, 2015). Apart from that the presence of negative culture towards PWDs causes their denial to employment and increases their economic marginalization (Kigoma, 2017; Shiviyawata, 2015).

Furthermore, the institutional factors are mainly related with weak organizations and laws governing PWDs. One of the factors related with their organizations is that their organizations over depend on donor assistance due to inadequate financial resources. The overdependence on donors limits their ability to address and tailor their services to match the varying needs of PWDs (Shiviyawata, 2015). Second, although different international and national laws on PWDs such as employment legislation and

vocational training legislations have been enacted, but still PWDs lack access to these rights first, due to lack of awareness and illiteracy, lack of enforcement of these laws, but also the cost and infrastructure for supporting them. As a result, institutional constraints limit them to utilize their competencies which could enable them to work independently in business activities but also it limits them to acquire new business skills which are important for their participation in economic activities (Shiviyawata, 2015).

Moreover, financial constraints are mainly concerned with lack of access to credit market by PWDs due to lack of collateral accepted by financial institutions such as land title deeds, but also due to low confidence, the financial institutions runners have towards entrepreneur with disabilities. As a result, lack of access to financial institutions constrains PWDs to compete with other entrepreneurs without disabilities (Tungaraza, 2012) but also lack of access to financial services makes it difficult for them to finance their new start-ups (Burchardt, 2000; Foster, 2010).

Finally, technical factors are concerned with lack of technical aid for PWDs to enhance their functional ability. Despite their importance, these technical aids are not available for them due to lack of technical experts and instruments. But also when available in the market, they are too expensive for them to afford. The limited accessibility is partially caused by lack of access to business support services and teaching tools tailored to people with disability (Kigoma, 2017; Tungaraza, 2012).

In general, most of these challenges are caused by the fact that most of the SMEs policies in developing countries focus on enabling and encouraging people with disability to enter the labour market and sustain their participation in the labour market rather than their participation in small business (Greve, 2009; Wilhelm & Robinson, 2013; Wittenburg et al., 2013).

Therefore, the presence of challenges to PWDs affects the government in different ways; first, these challenges constrain the ability of PWDs to contribute to Gross Domestic Product and hence and increases a burden for government and society to assist them financially. Second, these challenges constrain the ability of government to ensure equity in the provision of economic and social services to PWDs and third, these challenges escalate the negative attitudes towards PWDs and reduce awareness concerning their ability to contribute to income generating activities (Tungaraza, 2012).

Weaknesses of the Current SME Policy in Tanzania

The current SME policy in Tanzania is silent about PWDs and their participation in income generating activities. To be more precise, the policy treats PWDs like other special groups (women and children). This suggests that the issues addressed by the current SMEs policy do not reflect the specific needs of PWDs. Although the policy shows that these special groups are a significant part of the Tanzanian labour force which should be integrated in any meaningful development efforts, PWDs still have less access to productive resources such as, land, credit and education mainly due to cultural barriers. Furthermore, the SMEs sector itself which is expected to catalyze the development of this group is constrained by a number of challenges which includes high risk, inability of the SMEs operators to fulfil the collateral requirements, lack of SMEs financing window, the limited scope of operation, inexperience of Bank Staff in issues related to Micro-finance and lack of a guarantee scheme to back up banks financing SMEs (URT, 2002).

Apart from that, the SMEs are confronted with additional and unique problems including heavy costs of compliance resulting from their size,

insufficient working premises and limited access to finance. In addition, Business Development Services, namely services related to entrepreneurship, business training, marketing, technology development and information are still underdeveloped and are not readily available (URT, 2002). Therefore, the policy pays little attention to PWDs. Assuming that PWDs have the same needs like other special groups is a serious oversight because people with disability need special treatment tailored to their needs.

The Practices of PWDs and SMEs Policies in Other Developing Countries

The initiatives for engaging PWD in economic activities vary across different developing countries. While some countries have progressed, some others are still lagging behind, but in general, most developing countries experience more or less the same problem. In Nigeria for example, the government has taken a number of initiatives on SMEs development but these initiatives do not reflect the specific needs of PWDs. From the year 2000, the government introduced entrepreneurship studies in their higher learning education as a mandatory course and established the Centre for Entrepreneurship Development to encourage learning and acquisition of entrepreneurial skills to students in higher learning institutions (Nwachukwu, 2012; Thaddeus, 2012). Nevertheless, these initiatives have not been tailored to accommodate the specific needs of PWDs. Although some individuals with disabilities have taken their initiatives to develop their entrepreneurship skills, their efforts are still constrained by lack of empowerment and economic exclusion (Viriri & Makurumidze, 2014).

On the other hand, in South Africa people living with disabilities make up to 15% of the population but the participation of people with disabilities in

economic activities is still constrained by a number of factors including lack of equipment and machinery tailored to PWDs, presence of discrimination against PWDs, lack of business networking, hardships in obtaining start-up capital, lack of knowledge of support centres, education and training (Maziriri, 2018).

While in Kenya People with disabilities are still unaware of the rules and regulations despite the presence of the Disability Act of 2003 and national policy on disability. The existing regulations also have not increased participation of PWD in small business (Wekesa, 2008) and in Zambia, PWDs live in poverty and generally have unproportionally low literacy levels compared to persons without disabilities. Disabled persons often have to resort to street begging as a means of survival despite the adoption of a number of laws and policies pertaining to people with disabilities (ILO,2013).

Conclusion

PWDs like others without disability have talents and potentials which if exploited to the maximum can better their lives, families and community. It is clear that involving this group in Small and Medium Enterprises (SMEs) which is an engine for innovation and growth can help them to reduce poverty. This suggests that a SME policy review would be necessary to create systematic analysis of PWDs and their contribution to economic activities. This analysis may provide policy options which can guide the participation of PWD in SME activities. If these options are well incorporated into SME policy, they can act as a catalyst to address the persisting problems which constrain PWDs to participate effectively in SME activities. This is expected in turn to improve their lives through increased

income generation but also increase their contribution to the social-economic development of the country.

Recommendations and Policy Option

The review of literature and policy documents on people with disability shows that the success of some PWDs is attributed by the great support they receive from their parents and relatives who treat them just like ordinary persons and provide them with basic needs, particularly education (Shiviyawata, 2015). Therefore, in order to address the policy issues discussed above the government should do the following;

First, the government should put in place the mechanisms to create public awareness on the needs, right, abilities and contribution of PWD in the society, in order to reduce negative attitudes towards PWDs. This will change the community's mindset and build a positive culture that PWDs can contribute to economic development like others.

Second, the government must sensitize the journalists and activists to raise awareness to society that PWDs are like other people, they are a part of the society and should be given equal opportunities in all spheres of life in order to increase the access to financial services by PWD.

Third, the government must enable people with disabilities to increase their socio-economic status but also help them to break stigma and discrimination through economic inclusion.

Fourth, the government should ensure that PWDs have access to financial resources and institutional constraints are minimized to increase their access to financial services. In a similar vein, the government must ensure access to micro-financing for PWDs, encourage and empower them to form their own microfinance groups such as Village Community Banks (VICOBA), Saving

and Credit Cooperative Society (SACCOS) and other fundraising techniques. This will enable participation of PWDs in implementation of income generating activities in the society.

Furthermore, the government must ensure good communication and collaboration between central and local government units for people with disabilities and in collaboration with other stakeholders such as civil society organizations, must ensure equity in the provision of employment and other services to PWDs. Besides, the government in collaboration with other stakeholders must ensure compliance to the existing laws and regulations for PWD but also ensure equal rights to education, health services, employment, information, communication and cooperation in the economic activities. In addition, the government should cooperate with PWDs and other stakeholders to ensure that they are provided with information on availability of technical aids but also waive fees for technical aids imported and manufactured in the country in order to ensure their availability to PWDs. In addition, the government must ensure that technical experts and instruments for PWD are available.

Apart from that, the government in collaboration with stakeholders should ensure provision of business support services and teaching tools special to PWD to ensure conducive environment for teaching and provision of business support services to PWDs. This will enable them to acquire important skills which are prerequisite in the life of a person with disability which leads to employment and therefore, self-sufficiency and independent living. In addition, the government must ensure the provision of new business skills to PWD tailored to their needs.

On the other hand, the government must ensure that PWDs have access to land ownership or other resources which can increase their land ownership.

This will assist them to have access to productive resources which are the engine of SMEs development. In addition, the government should create a conducive environment for PWDs to utilize the existing institutions for income generation.

Finally, the government in collaboration with other stakeholders such as journalist must ensure that the information concerning the role models for PWDs is shared to the wider public and the PWDs are encouraged to learn from these role models.

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