

Creating an Enabling Environment for Youth Small and Medium Enterprise Startups: A Comparative Study of Tanzania and India, 2020.

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ABSTRACT

Small and Medium Enterprise sector is central to youth employment generation and contribution to GDP globally. These potentials of SMEs may vary from one country to another depending on the efforts taken by the respective countries in improving the enabling environment for youth SMEs startup. In this era of acute youth unemployment especially in developing countries like Tanzania, there is a need to intensively invest in business enabling environment for youth SMEs startup. This paper aimed at comparing the enabling environment for youth SMEs startups between India and Tanzania. India and Tanzania were chosen purposively due to the wide gap that exists between them in terms of business doing environment. Also, the start-up point is emphasized in this paper since it is the biggest barrier to youth engagement in the SMEs sector. This paper employed a qualitative methodology where a critical review of secondary data was made. It is noted that the two countries differ in three critical aspects of enabling environment for SMEs startup. These aspects are financial support, training support and material support. India has various grants, free and low-interest rates schemes, unlike Tanzania. The training system in India has been linked with some financial schemes, the component that you can hardly find in Tanzania. Also, India has various non-financial support for SMEs startups such as machines provision, workshop attendance support and spaces/accommodation support for small businesses. Generally, SMEs startup environment in India is better compared to Tanzania. Tanzania can generate some lessons from India to improve its enabling environment for youth SMEs startup.

Keywords: youth, enabling environment, SMEs