

## ABSTRACT

This study intended to examine the role of Microfinance Institution in increasing micro-entrepreneurs in Tanzania, by using Arusha City Council as a case study. The research was carried out at the Bank of Tanzania (BoT) and NMB PLC. The study was conducted with the following objectives: To examine the role of microfinance in increasing entrepreneurship in Tanzania specifically at Arusha City; examine the relationship between increasing microfinance and number of entrepreneurship specifically in Arusha City; and finally suggest the measures that could be adopted by microfinance in increasing the number of entrepreneurs.

Data were collected through questionnaires, interviews and documentary review. Questionnaires were open-ended questions, which allowed individuals to express their views concerning the role of microfinance in increasing entrepreneurship in Tanzania. Interviews were conducted on the basis of predetermined interview guide. Thus both qualitative and quantitative methods were collectively employed in the process of collecting data and information required in this research.

After Analysis of the data, tests of questionnaires were carried and presented in tables for easy interpretation. The findings on the role of microfinance in increasing entrepreneurship in Tanzania were identified. Arusha city in Tanzania was the study area. Fifty respondents were interviewed and eight of these were employees of microfinance institutions and five worked as technical staffs from NMB PLC. Twelve microfinance institutions were identified as providing services to the entrepreneurs.

A variety of literature on microfinance in the developed world, Africa, Tanzania and Arusha City were reviewed. During the literature review, it was evident that the literature on the **role of Microfinance Institution on increasing micro-entrepreneurs was lacking**. By filling this gap,

