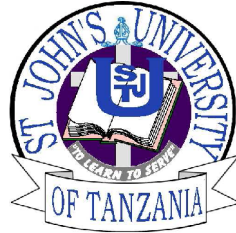


ST JOHN'S UNIVERSITY OF TANZANIA



MASTERS OF SCIENCE IN FINANCE

**THE CONTRIBUTION OF BONAFIDE MICROFINANCE INSTITUTIONS IN
REDUCING INCOME POVERTY AMONG WOMEN IN CHAMWINO DISTRICT IN
TANZANIA**

UPENDO NATHANAEL

M. 2015/5072

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE MASTERS OF SCIENCE IN FINANCE OF THE ST
JOHN'S UNIVERSITY OF TANZANIA**

2017

COPYRIGHT STATEMENT

All right reserved, no part of this work covered by the copyright hereon may be reproduced, stored in any retrieval form, or transmitted or used in any form or by any means, whether electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the author or the St. Johns' University of Tanzania.

© 2017 St. John's University of Tanzania and Upendo Nathanael.

CERTIFICATION

I, the undersigned certify that has read and hereby recommended for acceptance by the St. John's University of Tanzania a dissertation entitled "*The Contribution of Bonafide Microfinance Institutions in Reducing Income Poverty Among Women in Chamwino District in Tanzania*" in partial fulfilment of the requirements for the Master of Science in Finance (MSc. Finance) of the St. John's University of Tanzania.

.....

Dr. GEOFFREY KIANGI
(Supervisor)

Date

DECLARATION

I, Upendo Nathanael, declare that this is my original work and has never been submitted for similar award in any other University in Tanzania or Overseas. Where the work of others has been used, reference has been made thereof.

Signature:

Date:

DEDICATION

I dedicate this piece of work to my family especially to my daughter Caroline and my brother Cornelio for their tireless support and cooperation in my entire career life. They have always been supporting, encouraging and praying for me for successful completion of my studies at the St. John's University of Tanzania. God bless you all.

TABLE OF CONTENTS

COPYRIGHT STATEMENT	i
CERTIFICATION	ii
DECLARATION	iii
DEDICATION	iv
TABLE OF CONTENTS	v
LIST OF FIGURES	viii
LIST OF TABLES	ix
LIST OF ABBREVIATIONS	x
ACKNOWLEDGEMENT	xi
ABSTRACT	xii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Chapter overview	1
1.2 Background to the Study	1
1.3 Problem Statement.....	5
1.4 Research Objectives	6
1.4.1 General Objective	6
1.4.2 Specific Objectives.....	6
1.5 Research Questions.....	7
1.6 Purpose and Significance of Study	7
1.7 Scope of the Study.....	8
1.8 Chapter Summary	9
CHAPTER TWO	10
LITERATURE REVIEW	10
2.1 Chapter Overview.....	10
2.2 Theoretical Literature Review	10
2.2.1 Microfinance	10
2.2.2 Microfinance and Women’s Empowerment: Poverty Reduction Theories	10
2.2.2.1 The Feminist Empowerment Paradigm (FEP)/The Theory of Empowerment.....	10
2.2.2.2 Financial Sustainability Paradigm (FSP).....	11
2.2.2.3 Poverty Alleviation Paradigm (PAP).....	11
2.3 Relevance of Theories to the Study.....	12
2.4 Empirical Literature Review	12
2.4.1 Attitude of Women toward Bonafide MFIs	12
2.4.2 Performance of MFIs in Provision of Financial Services to Women.....	14

2.4.3 Influence of MFIs in Reduction of Income Poverty among Poor Women	16
2.4.4 Women’s Accessibility and Challenges toward Micro-Credit	17
2.5 Conceptual Framework	19
2.6 Definition of Key Terms	21
2.6.1 Microfinance	21
2.6.2 Microcredit	21
2.6.3 Microfinance Institution	21
2.6.4 The Concept and Definition of Poverty	22
2.6.5 Income Poverty	22
2.6.6 Poverty Reduction.....	22
2.6.7 Financial Services and Micro and Small Enterprises.....	23
2.6.8 Innovative Income Generating Activities	23
2.6.9 Women Empowerment.....	24
2.7 Research Gap	24
2.8 Chapter Summary	25
CHAPTER THREE	26
RESEARCH METHODOLOGY.....	26
3.1 Chapter overview	26
3.2 The study area and its characteristics	26
3.3 Research Design.....	27
3.4 Research Approach.....	28
3.5 Types of Data and Collection Tools.....	28
3.6 Data Collection Methods	28
3.6.1 Survey Questionnaire.....	28
3.6.2 Questionnaire Pre-testing	28
3.6.3 Key Informants Interviews (KIIs)	29
3.7 Sampling Techniques.....	29
3.7.1 Target Population and Sampling Frame.....	29
3.7.2 Unit of Analysis	29
3.7.3 Sample Size.....	29
3.7.4 Sampling Approach.....	30
3.8 Selection of Key Informants (KIs)	30
3.9 Data Analysis Plan	30
3.9.1 Qualitative Analysis.....	30
3.9.2 Quantitative Analysis.....	31
3.9.3 Econometric Model Specification for Associative Analysis	31
3.10 Ethical Consideration.....	32

3.11 Validity and Reliability.....	32
3.11.1 Validity	32
3.11.2 Reliability	33
3.12 Overall limitation of the Study	33
3.13 Chapter Summary	34
CHAPTER FOUR	35
RESULTS AND DISCUSSION	35
4.1 Chapter Overview.....	35
4.2 Results and Discussion of Findings.....	36
4.2.1 Social and Demographic Features of Women	36
4.2.2 Distribution of Respondents Age.....	36
4.2.3 Business Experience of Respondents.....	37
4.2.4 Marital Status of Respondents	38
4.2.5 Respondents' Employment Status at Chamwino.....	38
4.2.6 Education Levels of Respondents.....	39
4.2.7 Economic Activities of the Respondents and Loan Size	40
4.3 Perception of Women toward Bonafide MFI's Loan Services.....	42
4.4 Performance of MFIs in Provision of Financial Services to Women	50
4.5 The Influence of MFIs to Reduction of Income Poverty among Women.....	53
4.6 Women's Accessibility and Challenges toward Micro Finance	57
4.7 Chapter Summary of main findings.....	64
CHAPTER FIVE	66
CONCLUSION AND RECOMMENDATIONS	66
5.1 Chapter Overview.....	66
5.2 Summary of the Study	66
5.3 Conclusion	66
5.4 Recommendations	67
5.5 Areas for Further Research	69
5.6 Chapter Summary	69
REFERENCES	70
APPENDICES	83
Appendix A: QUESTIONNAIRE FOR THE WOMEN	83
Appendix B: INTERVIEW GUIDE FOR KEY INFORMANTS	88
Appendix C: RESEARCH CLEARANCE CERTIFICATE	89
Appendix D: APPROVAL LETTER FOR DATA COLLECTION.....	90

LIST OF FIGURES

Figure 2.1: Conceptual Model Showing MFIs Contribution on Women's Income at Chamwino	20
Figure 3.1: Map of Chamwino District	27
Figure 4.1: Women's age distribution	36
Figure 4.2: Women's Education Level at Chamwino	40
Figure 4.3: Businesses type and size of loan	41
Figure 4.4: Performance of MFIs in provision of financial services to women at Chamwino	50
Figure 4.5: Women's Satisfaction with MFI's financial services	53

LIST OF TABLES

Table 4.1: Experience in income generating activity (Business Experience)	37
Table 4.2: Marital status of respondents	38
Table 4.3: Employment record of respondents.....	39
Table 4.4: Most Common Economic activities carried by women	41
Table 4.5: Perception of women toward MFIs Loan Services.....	44
Table 4.6: Cross Tabulation of age with women perception toward MFIs.....	45
Table 4.7: Cross Tabulation of Experience in IGAs with Women Perception toward MFIs.....	47
Table 4.8: Cross Tabulation of Household Size with Women Perception toward MFIs	48
Table 4.9: Cross Tabulation of Education Level with Women Perception toward MFIs.....	49
Table 4.10: Breadth and Depth of Outreach of Bonafide MFIs	51
Table 4.11: Women's Perception of Efficiency of MFIs on Loan Provisions	52
Table 4.12: Time Taken by Women to Process a Loan from Bonafide MFIs	52
Table 4.13: Econometric Results on Contribution of Microfinance on Household Welfare.....	54
Table 4.14: Partial Correlation of Total women's Income and Access to Microloans	56
Table 4.15: Women's Accessibility to Microfinance (micro-loans)	57
Table 4.16: Cross Tabulation between Accessibility to Microloan and Business Experience	59
Table 4.17: Cross Tabulation between Accessibility to Microloan and Marital Status	60
Table 4.18: Cross Tabulation between Accessibility to Microloan and Employment Status.....	61
Table 4.19: Cross Tabulation between Accessibility to Microloan and Business Size	62
Table 4.20: Women's Challenges in Accessing MFIs Loans	63

LIST OF ABBREVIATIONS

BOT	:	Bank of Tanzania
CGAP	:	Consultative Group to Assist the Poor
DFID	:	Department for International Development
EEA	:	Empowerment Enterprises of Africa
FEP	:	The Feminist Empowerment Paradigm
FSP	:	Financial Sustainability Paradigm
GPRS	:	Ghana Poverty Reduction Strategy
HBS	:	Household Budget Survey
IGA	:	Income Generating Activities
IGAs	:	Income Generating Activities
KIIs	:	Key Informants Interviews
KIs	:	Key Informants
LSE	:	Least Square Estimate
MDGs	:	Millennium Development Goals
MFIs	:	Microfinance Institutions
MSE	:	Micro and Small Enterprises
NBS	:	National Bureau of Statistics
NGO	:	Non Governmental Organization
NMB	:	National Microfinance Bank
NMP	:	National Micro-Finance Policy
PAP	:	Poverty Alleviation Paradigm
SIDA	:	Small Industries Development Agency
SPSS	:	Statistical Package for the Social Sciences
SSA	:	Sub Saharan Africa
TZS	:	Tanzanian Shillings
UN	:	United Nations Organization
URT	:	United Republic of Tanzania
WB	:	World Bank

ACKNOWLEDGEMENT

I wish to extend my sincere thanks and gratitude to all people who helped me in one way or another during the whole period of my research report. Special thanks should go to my supervisor, Dr. Geoffrey Kiangi for his excellent requisite guidance, advice, constructive criticisms, encouragement and support from the very beginning of this work to its end.

I would further like to acknowledge the contribution from various MFIs at Chamwino, in Dodoma for without their support, my work would have faced a serious obstacle in finding literature and some crucial documents. These institutions are FINCA Tanzania Ltd, BRAC Tanzania, Tunakopesha Ltd, Pride, SEDA, Equity Bank and National Microfinance Bank (NMB), just to mention a few. Consumer Managers, loan officers and branch managers supported my work by providing me with necessary information for this study. Also thanks should go to women in Chamwino district for accepting to provide me with enough information to accomplish the study.

Moreover, I wouldn't forget to acknowledge the contribution from my family members, Mr. Cornelio S, Lutende M for their editing assistance, my fellow MSc. in Finance students, The words of healing ministry for spiritual assistance, course lecturers and members of staff of SJUT for the assistance they offered to me during the whole period of study, which paved the way for the successful completion of this research work. Lastly, in special way I thank Mr. Daniel. Y my research assistant for typing and setting this work to its fruition. However, I remain solely responsible for any errors and omissions that may be found in this dissertation.

ABSTRACT

In Tanzania, about 50% of people are living in an abject poverty. Most of them are women. The aim of this study was to assess the impacts of bonafide MFIs in reducing income poverty among women of Chamwino district in Dodoma, Tanzania. The study was guided by four specific objectives, to examine women's perception about bonafide MFI services for income generation activities; to examine the performance of bonafide MFIs in providing micro-loan services to women; to assess the MFIs influence on income growth of women; and to explore women's accessibility to MFIs services in income generating activities.

The study involved 100 women obtained randomly from a list of women who had accessed loans from MFIs in one year period. In this cross-sectional surveyed study women were given questionnaires and managers of five MFIs were interviewed using interview guide. Both quantitative and qualitative primary and secondary data were used in the study to answer the research questions. However, quantitative dominated and the qualitative information was used to explain the quantitative findings. Data were analysed by SPSS and the results were presented in econometric model, tables and figures.

Most of surveyed women (47%) were between 26-35 years and possess primary (36%) and O-level education (34%). About 77% were married, 67% have experience of six to 20 years and 38% were in a paid employment. Moreover, the surveyed women were involved in crop selling (23%), food vending (28%) and bar and restaurants (22%). Also, majority (76%) of women were in SMEs. The cross tabulation of women characteristics and their perception toward MFIs reveal weak significant difference between women personal characteristics and their perception. Additionally, the findings indicate that the MFIs performance has no significant effect on women's income at 1.0% level of significance. On the contrary, educational level of women, possession of assets and being in a paid employment were seen to have positive and significant effect on women's income.

From the findings of the study it can be concluded that, MFIs have contributed in reducing women poverty in other dimensions rather than income poverty. The study recommends the need for microfinance regulatory board to reduce interest rate charged by MFIs, reduce bureaucracy and accept less demanding collaterals so as to enhance women's economic wellbeing. Also, there is a need for policy review, wide publicity and training of women on business and financial management skills.

CHAPTER ONE

INTRODUCTION

1.1 Chapter overview

This chapter includes the introduction of the study which provides a background to the problem statement of the research, the statement of the problem, the general objective of the study and its specific objectives. Moreover, the chapter possess the research questions which were designed to guide a researcher in answering the specific objectives of the study. Lastly but not least, the chapter ends with explanations about the significance of study and the scope of the study.

1.2 Background to the Study

There are about three billion people, half of the world's population, living on an abject poverty (World Bank, 2013). Among 41 women dies from maternal complications (United Nations International Children's Emergency Fund, 2016). To enhance international development, the United Nations Organization (UN) announced the millennium development goals (MDGs), aimed to reduce income poverty among other things by 2015 (Barr, 2005) and promoting gender equality and empowerment of women (Owusu *et al.*, 2013). This is because poverty is higher among women and they also bear greater responsibility for the welfare of the household (Mayoux, 2002; Azanlerigu and Kuntulo, 2015).

According to Lin, (2016) income poverty is the situation of having little or no money. And as it has long been recognized worldwide that most women are trapped in income poverty because of lack of financial resources needed to undertake productive investments (Suleiman, 2006; Owusu *et al.*, 2013; Okibo and Makanga, 2014). Increased access to financial resources relaxes the liquidity constraints that women face enabling them to engage in economic activities that generate dynamic growth (Dean, 2011; Todaro and Smith, 2012; Okibo and Makanga, 2014). Micro Financial Institutions (MFIs) are the annexes with major impact on economic growth, development and income poverty reduction for the poor and women (Mia and Ramage, 2011; Haji, 2013).

Furthermore, many people who are said to have reduced poverty as defined by MDGs in 2005 would still be counted as poor when using different thresholds of income poverty; or when poverty is measured according to other dimensions; limited education, lack of health insurance, concentrated spatial poverty and unemployment or when using relative, rather than absolute, measures of poverty (Organisation for

Economic Co-operation and Development, 2012). Many people remain vulnerable to a range of factors such as unemployment, sickness, social exclusion and insufficient resources which threaten to re-impoverish them in the future (Organisation for Economic Co-operation and Development, 2012; World Bank, 2013). However, for the purpose of this proposed study only income poverty will be considered.

Although empirical literature is full of inconsistent views on the contribution of microfinance on poor and women welfare (Sengupta and Aubuchon, 2008; Ebimobowei, Sophia, and Wisdom, 2012 Okurut, 2014), United Nations acknowledged microfinance as an effective financing instrument that provides the poor with the ability to fight against hunger and poverty, mainly in developing countries where more than 80% of world's poor reside (Mia, 2005; WB, 2013). Also, UN commemorated the year 2005 as an international year of micro-credit (United Nations Capital Development Fund, 2006). In this regard, microfinance is recognized as the form of financial development that has its primary aim to alleviate income poverty. As a result, governments, donors and Non Governmental Organisations (NGOs) around the world responded devotedly with plans and promised to work together towards eradication of income poverty.

As a result, worldwide, the number of people in income poverty has been on the decline for around 25 years (Collier 2007; WB, 2013), yet income poverty remains a matter of growing concern in many developing countries of the world (Teal, 2006; Fosu, 2010; Santos-Paulino, 2012). And during Fourth UN Conference on Women in 1995 it had been estimated that 70% of the world's poor are female (Chant, 2008). In African context, income poverty among women is still increasing (Addae-Korankye, 2014; Bicaba et al., 2015; Beegle et al., 2016). The challenge of income poverty reduction in Africa is of a different order from that elsewhere and will require different strategies (Bateau, 2016). Among these is to increase women's access to and use of microcredit and microfinance scheme as a means of improving household livelihoods (Angko, 2013).

Several approaches to deal with poverty have been attempted, for instance circle of borrowing (Loko et al., 2003; Lumina, 2008; Bateman and Chang, 2010) and donor dependency syndrome (Tseggai 2006; Abuzeid, 2009 and Williamson, 2009) which some critics point out as one of the causes practically sabotaging real development. With regard to Sub Saharan Africa (SSA) poverty in terms of proportion of the poor has been rising over time and the poor are worse off than other parts of the world

(SESRTCIC, 2007; Bicaba et al., Handley et al., 2009; Azanlerigu and Kuntulo, 2015). SSA has perpetually failed to focus its development efforts on the optimum utilization of the immense natural resources that many countries are endowed with to turn it into wealth to propel their economies and people towards a high level of economic and social development and as a consequence eliminate pervasive income poverty among vulnerable groups of women and rural households.

In Tanzania the situation is worse, as 50% of Tanzanians are considered to be basically poor with approximately one third of people living in abject poverty (United Republic of Tanzania, 2015). According to the Household Budget Survey (HBS) of 2012/13 conducted by National Bureau of Statistics (NBS), the proportion of the population below the national food poverty line is 18.9 % and that below the national basic needs poverty line is 35.7%. Indicators of income poverty also show growing disparities between urban and rural population, as well as across and within regions and districts; the urban poor constitute about 13% compared to 87% in rural areas (URT 2005).

Tanzania has a total population of 51,557,365 people, out of which 26,455,398 (51.3%) of the total population are women (NBS, 2017). Although women account for larger part of the total population in Tanzania, they own only 30% of the total resources of the national (Osorio et al., 2014; NBS, 2016). Cultural practices hinder women from resource accessibility (including financial services) and control (Abdulmalik and Bambale, 2016). As a result of this, women productivity is limited leading to lack of income and hence poverty (Akanbasiam, 2011). Moreover, evidence from Mdoe and Macha (2002) and Galile et al. (2015) shows that women in urban areas control more resources than their counterpart's rural women. However, this inter-disparity among women in rural and urban areas is not the focus of this proposed study. So, the main focus of many MFIs is to empower women by increasing their financial power and position in the society so as to have equal opportunity as men (Mayoux, 2002; Chiyah and Forchu, 2010).

In an effort to end income poverty, during the World Social Development Summit held in Copenhagen in 1995, Tanzania joined other nations in their commitment to reduce income poverty (UN, 2005). Following this commitment, Tanzania has developed plans for poverty reduction which are outlined in the Tanzanian Vision 2025 of 1995, the National Poverty Eradication Strategy of 2010, Poverty Reduction Strategy Paper (2000,) and the National Strategy for Growth and Reduction of

Poverty I of 2005-10 and National Strategy for Growth and Reduction of Poverty II of 2010-15. All these stress the importance of income poverty reduction through equity, sustainable economic growth and improvement of people's welfare.

Given the importance of microfinance in income poverty reduction, the National Micro-Finance Policy (NMP) was introduced in 2000 with the main objectives of establishing a basis for the evolution of an efficient and effective micro financial system in the country, which serves the low-income segment of the society, and thereby contributes to economic growth and reduction of poverty (URT, 2000; URT 2005). Among the low income segment are women who are the major participants of microfinance in Tanzania (Sumari et al., 2013). The policy focuses at the provision of financial services to households, small holder farmers, and small and micro-enterprises in rural as well as in the urban sector. It covers range of financial services, including savings, credit and payment. All these aimed at making MFIs become useful instruments toward income poverty reduction among women (Mago and Cephas, 2014; and Gerli, 2015).

As a result of NMP, many MFIs have been established and introduced various packages of micro-credits. According to Empowerment Enterprises of Africa (EEA) (2009), in 1990s there were only 825 MFI which increased to 1,875 in 2005. Currently, the country is estimated to have more than 5000 MFI (Girabi and Mwakaje, 2013), and as 69% of them are from rural areas (Empowerment Enterprises of Africa, (2009). The presence of more MFIs is interpreted as more access to microcredit among poor Tanzanians and hence more investment leading to generation of more income to reduce poverty (Ssendi and Anderson, 2009). And so, Tanzania has seen an increasing MFIs activities in rural areas where most poor live.

Despite of the proliferation of MFIs and the wide range of products and services offered, the income poverty is still severe among women (URT, 2010; World Bank, 2015). Also, due to mixed results from different scholars about the impact of MFIs on reduction of income poverty among women, hence, such the contribution of MFIs in eradication of income poverty of women has not clearly been established. Therefore, this study is intended to fill the gap by assessing the contribution of bonafide MFIs in reducing income poverty among women of Chamwino District Council in Dodoma region, Tanzania.

1.3 Problem Statement

Traditionally, social, cultural, political and economic position of women in Tanzania has been undermined compared to men (Mbilinyi, 1972; Asayehgn, 1979). Women, have low education and suffer from traditions and customary laws which make them to be poorer (Mbilinyi, 1972; Asayehgn, 1979; Strachan, (2015). Thus, economic empowerment of women is one of the main issues that need to be addressed in Tanzania (United Republic of Tanzania, 1992; Strachan, 2015). Over the years, the introduction of MFIs is seen as the best alternative source of financial services for women as a means to raise their income, hence reducing their income poverty level and oppression. And the evidence shows that microfinance activities are increasing in the country (Ahlen, 2012). It rose from 3.3% in 1996 to 7.2% in 2003 (Semboja, 2004), slowed down then picked up to 11.3% in 2009 (Bank of Tanzania, 2009). As a means to rid women out of income poverty, government, donors and microfinance service providers have encouraged women to organise themselves in groups so that to lessen the loan conditions as they would individually (Goey, 2012; Mago and Cephas, 2014; and Gerli, 2015). This strategy aimed at integrating women in financial services in order to reduce the financial gap from their counterparts men.

Despite the increase and efforts taken to integrate women to micro financing services, more women than men are still living in income poverty in both urban and rural areas (URT, 2010; Sumari et al., 2013; Osorio et al., 2014; NBS, 2014; WB, 2015). In Tanzania around 70% of 17 million people who live below income poverty line are women (EEA, 2009; McFerson, 2010; Galile et al., 2015). In the case of Chamwino district, there is high income poverty incidence among women despite high MFI activities in the area (URT, 2010; Mazengo, 2011; URT, 2012; Coulson, 2013). In year 2015/16 Chamwino district faced a very severe famine and women and children were reported to eat roots and wild fruits while male fled their families (DailyNews, Jan 22, 2016). Also the district has recorded death caused by hunger and malnutrition and victims were largely women and children (Mazengo, 2011; URT, 2012).

Several studies have been conducted in Tanzania to determine the impact of MFIs to the poor (Semboja 2004; Wangwe, 2004; URT, 2009; Ahlen, 2012; Goey, 2012; Haji, 2013; Girabi and Mwakaje, 2013 and Manongi, 2013). Moreover, the studies conducted by Jamal (2008), Garikipati (2008), Haule (2008), Gogadi (2011), Sumari et al. (2013) and Chipindula and Mwanga (2015) analysed the impact of bonafide MFIs on women income. However, these studies have mixed results. Some of them,

Jamal (2008), Garikipati (2008) and Haule (2008), advocate that simply putting financial resource in the hands of poor women is not enough to bring about empowerment and improved income. They argue that there are other important issues to consider such as use of loan, level of poverty, market accessibility and type of business. On the contrary, other scholars, Gogadi (2011), Sumari et al. (2013) and Chipindula and Mwanga (2015), in their studies agree that microfinance brings about the empowerment of women.

Subsequently, given the fact that there is limited literature about the contribution of bonafide microfinance institutions in reducing income poverty among women in Chamwino district, there are very limited studies which provide contradicting results thus, the need for further research in this topic was mandatory. Therefore, it is from these premises that this study analysed the contribution of bonafide microfinance institutions on reduction of income poverty among women in Chamwino district in Dodoma region.

1.4 Research Objectives

1.4.1 General Objective

The main objective of the study is to analyse the contribution of bonafide MFIs in reducing income poverty among women in Chamwino district in Dodoma, Tanzania.

1.4.2 Specific Objectives

Specifically, the study analysed the following specific objectives to achieve the main objective of the study:

- i. To examine women's perception about bonafide MFI services for income generation activities in Chamwino District.
- ii. To investigate the performance of bonafide MFIs in providing micro-loan services to women in Chamwino District.
- iii. To explore women's accessibility to MFIs services in income generating activities in Chamwino District.
- iv. To assess the MFI's influence on income growth of women in Chamwino District.

1.5 Research Questions

To realize the aforementioned study purpose/main objective, four research questions in line with each specific objective were developed to guide the researcher to obtain information relevant to the research problem.

- i. What is the attitude of women toward MFIs services for income generating activities in Chamwino District?
- ii. How effectively do bonafide MFIs perform in providing micro-loan services to women in Chamwino District?
- iii. What is the status of women's accessibility to MFIs micro-loan in income generating activities in Chamwino District?
- iv. To what extent do MFIs influence income growth of women in Chamwino District?

1.6 Purpose and Significance of Study

The purpose of this study was to analyse the contribution of bonafide MFIs in reducing income poverty among women in rural areas of Tanzania. The aim was to scrutinise the present opportunities and challenges women encounter in their daily contact with MFIs as they struggle to get rid of the income poverty in Chamwino district in Dodoma region in particular and Tanzania in general. On the other hand the study has theoretical and practical significance to both academicians and practitioners.

Theoretically, the findings shall provide an insight into academicians and researchers and hence act as a benchmark for further studies about contribution of bonafide MFIs in reducing not only income poverty but the poverty in its generality among women in rural and urban areas of developing countries. This will be possible due to the fact that the study adds to the body of knowledge of microfinance especially in gender based micro-credit provision. That is why this literature is useful as a benchmark to other new interesting studies on establishing the deep insights about women and MFIs development. Moreover, the study will be used as a base for academic discussion among students, lecturers and practitioners in the disciplines of finance as well as economics.

Practically, knowledge generated from this study is anticipated to be used by policy makers to regulate and improve borrowing policy, interest rate and income poverty eradication strategies so as promote women's participation in social and economic development. Furthermore the findings from the study are expected to create awareness to all policy makers, local, regional level on the barriers hinder smooth

borrowing and paying back the loan by many households in Chamwino district. But also, help in improving the operation of MFIs by reviewing weak and obsolete policies and replace with vibrant ones.

Furthermore, the findings of the study serves as a guide to the evaluation of future strategies to be adopted by other financial institutions' administrators and managers on the importance of lending to both urban and rural poor women for the households and nations' development.

1.7 Scope of the Study

This study is grounded by feminist empowerment paradigm, financial sustainability paradigm and poverty alleviation paradigm. Conceptually, the study focused on the variables developed from these theories. Variables such that education, growth of income and employment were drawn from feminist empowerment paradigm while financial sustainability paradigm addressed women's possession of assets and household responsibilities issues which depend on family size. Likewise, the poverty reduction paradigm conceptualised the fact that MFIs micro-loans is important instrument to alleviate women from extreme income poverty. As a result, empirically the study examined the influence of education level, employment, value of assets possessed by women, family/household size, poverty reduction, MFIs performance and age on the growth of income of women in Chamwino district. As this was an exploratory study, the data was analysed using regression analysis. However, the study was not limited to empirical analysis. Qualitatively, Thematic analysis was used to explore the attitude of women toward MFIs services of micro-loans provision.

Geographically, the importance of MFIs in reducing income poverty among poor women is a global undertaking in both rural and urban areas of developing and developed countries. However, this study focused on rural women of developing countries because the poverty level in these areas is extreme. Nevertheless, the results of this research have been extended to other rural based districts in Tanzania.

1.8 Chapter Summary

Chapter one summarises the background information, origin and evolution of national micro-finance policy in Tanzania. The chapter explains how the country went about to implement the MF reforms in order to improve the livelihood of Tanzanians. In an effort the national microfinance policy was formulated aiming at increasing efficiency and effectiveness of financial system in the country. Moreover, the chapter discussed the importance, advantages, disadvantages and the likely challenges faced by women to acquire micro credit. Moreover, in chapter one theoretical and practical significance of the study to academicians, policy makers and MFIs operators as well as researchers is given. Policy makers will use the findings to review MF policy and replace weak policies with vibrant ones, academicians are provide with place to start theoretical discussion and a foundation for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

In this chapter a researcher presents the theoretical and empirical literature review in order to determine the knowledge gap in connection to the contribution of MFIs in reducing income poverty among women. Then, from the literature review conceptual framework was developed. Also, the chapter includes a section on research gap and theoretical definition of key terms.

2.2 Theoretical Literature Review

2.2.1 Microfinance

Microfinance, according to Otero (1999, p.8) is “the provision of financial services to low-income poor and very poor self-employed people”. These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001, p.339) define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.” Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

2.2.2 Microfinance and Women’s Empowerment: Poverty Reduction Theories

Over the years, critics have accused MFIs of operating from different “political perspectives” (Mayoux, 2002). In response to this criticism, stakeholders in the microfinance sub-sector have attempted to build consensus in terms of institutional policies and programmes. Underpinning this consensus, three contrasting theories have been identified with different aims (Yunus and weber, 2007). According to Mayoux (2002) the three theories are reviewed. These theories include; feminist empowerment paradigm, financial sustainability paradigm and poverty alleviation paradigm.

2.2.2.1 The Feminist Empowerment Paradigm (FEP)/The Theory of Empowerment

This focuses on identifying opportunities, constraints and bottlenecks in a given “gender domain” (Connell 2009) and using microfinance as a tool to challenge or address unfair and discriminating gender socio-economic arrangements and practices (Mayoux 2002). As indicated under the empowerment framework, some scholars have argued that microfinance may be a resource to women as it has the

potential of meeting not only the practical daily needs of women but also their potential to change restrictive or discriminatory gender regimes (Yunus, 1999; Bali Swain and Wallentin, 2007). In this case, microfinance should be part of a sectoral strategy for change that is based on participatory principles.

Women economic empowerment should be defined as “having access to and control over the means to make a living on sustainable and long term basis and receiving the material benefits of this access and control (Carr 2000, and Mosedale 2005). It has been argued that for reduction of income poverty, intervention like microfinance to engender change, it should contribute to women’s sense of independence, rather than simply meeting survival needs” (Kabeer 2005). This may enable women to make choices that act against structures or individuals that draw back the pursuit of their interests and potentials.

2.2.2.2 Financial Sustainability Paradigm (FSP)

With regard to financial sustainability paradigm, Mayoux (2002) noted that microfinance for empowerment has an individualistic focus. Therefore, the goal of any empowerment intervention should expand individual choices for self-reliance. The financial sustainability paradigm assumes that a woman’s access to microfinance schemes automatically increases her economic power and well-being, which eventually leads to her social and economic empowerment (Gogadi, 2011; Sumari et al., 2013; Chipindula and Mwanga, 2015). At the microfinance institutional level, the FSP focuses on profitability and financial self-sustainability. For the MFIs to attain their financial sustainability goals, they target mainly the un-bankable poor but not the poorest (Owusu et al., 2013). Again, in order to maximize profits the MFIs use a group methodology to reach out to women in order to reduce the cost of programme delivery (Yunus, 1999; Goey, 2012). They target women because of their high repayment rate and as a way of tapping women’s underutilized labour for economic growth (Goey, 2012).

2.2.2.3 Poverty Alleviation Paradigm (PAP)

This paradigm focused on developing sustainable livelihoods, community development and the provision of social services. The main targets for PAP are the poor and poorest (Mayoux, 1999; Yunus, 1999). Based on poverty reduction, gender lobbies have argued for more women to be involved in microfinance programmes because income poverty is not only higher among women but that they bear greater responsibility for the welfare of the household (Mayoux 2002; Yunus

and Weber, 2007). Usually, the provision of microfinance to the poor or poorest is for consumption than productive activities (Nourse 2002). Therefore, subsidized microfinance schemes are therefore viewed as crucial in order to help more poor people to meet their consumption and productive needs (Yunus and Weber, 2007). These paradigms underpin the policies and programmes of different MFIs and their outcomes on participants (Mayoux, 2002).

2.3 Relevance of Theories to the Study

Therefore, linking theories to this study, theories will provide the analytical tools to examine how women's access to microfinance programmes and their participation in income generating activities have served as income poverty reduction tool.

2.4 Empirical Literature Review

This section reviews empirical studies conducted worldwide in the area of banking and SMEs and then subsequently moves to discuss the research on the issue under scrutiny in African context in general and Tanzania in particular.

2.4.1 Attitude of Women toward Bonafide MFIs

Ugiagbe (2014) conducted a survey study of the perception of the services of micro finance institutions by the female service users in south-south, Nigeria. The study examines the perceptions of the services of the micro finance Institutions by the women service users, and how the services of micro Institutions affect businesses of the beneficiaries of the micro credit loans. The result reveals that the poor services and attitude of officials of micro finance institutions and other problems like the regressive tax regimes, harsh economic climate and patriarchy are negatively affecting the business ventures of the loan beneficiaries and by implication the goals of poverty reduction via micro credit scheme (Mayoux, 1999; 2002). The women beneficiaries are groaning under the burden of loan repayment and meeting other obligations as mothers and wives (Goey, 2012). This study is applicable in the context of social policy development at this time when social services delivery is not only poor but at dismal level. The need for gender sensitive and social development becomes imperative (Yunus and Weber, 2007; Goey, 2012). It is critical to social work practice in the context of advocacy, empowerment programs, facilitating and initiating service delivery and community organizing by social workers that will enhance the war against poverty and other social impediments against women empowerment in Nigeria (Ugiagbe, 2014).

Long (2009) examined perceptions of microfinance within the community of those who work with or are influenced in some way by microfinance institutions in Yaounde Cameroon. Furthermore, the project focuses on the ways in which these perceptions affect the institutions, the actions of the institutions amidst and in response to these perceptions, and to what extent these actions have a positive effect on the community and the firms themselves. Also the study examined to a certain degree the relationship between the two main goals of category two and category three microfinance firms: specifically, the fulfilment of social goals such as poverty alleviation and financial success. He found that the community has positive attitude toward MFIs as the tool to lift poor from hopeless situation (Ugiagbe, 2014). Responding to these perceptions MFIs extend their services and increases the depth of their outreach to the poorer (Mago and Cephas, 2014; and Gerli, 2015).

Several scholars such as (Gilal, 2011), Roy (2014) have viewed microfinance as a paradigm shift and ray of hope for the poor (Gilal, 2011). Microfinance institutions are able to make significantly positive impact on the poverty level of their clients Roy (2014). Now a day's people's outlooks are changing towards borrowing for their livelihood activities. Before 20th century people hesitated to borrow money for his/her own purpose. According to Roy (2014), found out that women perception about microfinance is good as they see MFIs as their engine out of poverty and oppression. It also finds out that microfinance plays significant role in their life. The study also covers the perception of females which is extremely contrary to males in terms of "in what ways microfinance helps them".

Moreover, De Goey (2012) conducted a study in Dar es Salaam, Tanzania termed "social impact of microfinance: what changes in well-being are perceived by women group borrowers after obtaining a group loan?" This thesis aims to address how microfinance, the provision of credit in particular, has an influence on the well-being of women. A participatory rural appraisal was conducted in order to explore how women define well-being. The perspectives of four women groups from the Dar es Salaam Region, Tanzania were included in understanding the local definition of well-being, the developments in their lives and the changes in well-being they have perceived. The results show that the group loans may contribute to positive changes in the well-being of women, but these changes cannot be attributed to the loans alone (Jamal, 2008; Garikipati, 2008; Haule, 2008). The changes in well-being caused by the loan intertwine with other factors like group dynamics, access to market and family life; therefore the results need to be interpreted considering the

specific context. Furthermore, the results show that the changes in well-being are not necessarily related to an increase in income, thus contesting the assumptions on which microfinance is based (Sengupta, Obore and Houkamau, 2012; Organisation of Economic Co-operation and Development, 2013).

2.4.2 Performance of MFIs in Provision of Financial Services to Women

The positive underlying principle that derives performance analysis is founded on the challenge to obtain useful information. This led to argument that; if there is a change which makes at least one individual better off without making any one else worse off, that change is efficient (Schenk, 2004). Rapid changes in financial service industries make it important to determine the efficiency of financial institutions (Nyamsogoro, 2010). The efficient performance of MFIs has been discussed for years. Recently, due to rapid growth of financial markets and financial innovations, it has become more important to measure the efficiency of micro financial institutions. If the micro financial institutions operate more efficiently, they might expect an improved profitability and a greater amount of intermediated funds women.

Therefore, the efficiency of MFIs is the most interesting economic issues for all over the world. The evidence for this is that there are several attempts to investigate the efficiency of MFIs by a number of researchers; as one of the economists reveals that, the efficiency of MFIs was diminishing over the period of 1998-2004 (Chansarn, 2007). However, there is sharp decrease in efficiency in microfinance sector occurred only over the period 1998-1999. The study also suggests that the efficiency was decreasing very slightly over the period of 1999-2004 (Chansarn, 2007). In other literature it was found substantial variation in efficiency measures in MFIs. It is also found that measured efficiency also depends on the researcher's conception of what MFIs do (Wheelock and Wilson, 1995).

In addition to that, Amin *et al.* (2003) used a unique panel dataset from northern Bangladesh with monthly consumption and income data for 229 households before they received loans. They find that while microcredit is successful in reaching the poor, it is less successful in reaching the vulnerable, especially the group most prone to destitution (the vulnerable poor). They concluded that the provision of micro-credit to MSEs (women entrepreneurs) in Bangladesh is not as efficient as expected due to huge reforms of the financial sector.

Consequently, Owusu *et al.*, (2013) conducted a study in Northern Ghana and found out that MFIs give credits with conditions that are not favourable to the needs of the women. It was also found out that, the dependency burdens on women coupled with the low credit that the women access from the MFIs for productive activities leads the women to deploy the credit to meet the demand of both the business and household. Moreover it was revealed by the study that irrespective of the women's access to credit and income their bargaining power and fallback positions in household decision making processes are largely defined by the gendered regimes within the household economy.

In Tanzania several studies has been done on microfinance institutions service, one of the research on MFI service was conducted by Chijoriga (2008) who evaluated the performance and financial sustainability of MFIs in Tanzania, in terms of the overall institutional and organizational strength, client outreach, and operational and financial performance. Twenty eight MFIs and 194 MSEs were randomly selected and visited in Dar es Salaam, Arusha, Morogoro, Mbeya and Zanzibar regions. The findings of this revealed that, the overall performance of MFIs in Tanzania is poor and only few of them have clear objectives, or a strong organizational structure (Chijoriga, 2008).

It was further observed that MFIs in Tanzania lack participatory ownership and many are donor driven (EEA, 2009). Although client outreach is increasing, with branches opening in almost all regions of the Tanzanian mainland, still MFIs activities remain in and around urban areas (EEA, 2009; Nyamsogoro, 2010). Their operational performance demonstrates low loan repayment rates. In conclusion, the author pointed to low population density, poor infrastructures and low household income levels as constraints to the MFIs' performance (Chijoriga, 2008).

In conclusion, the author of this research pointed to low population density, poor infrastructures and low household income levels as constraints to the MFIs' performance. Moreover, all of the empirical literature reviewed, documents a lot of facts about the efficiency and performance of commercial banks in the world. However, for the case of Tanzania, knowledge pertaining to the efficiency of commercial banks is very limited. Hence this study aims at bridging that knowledge gap.

2.4.3 Influence of MFIs in Reduction of Income Poverty among Poor Women

According to Mosley (1999), microfinance makes a considerable contribution to the reduction of poverty through its impact on income and also has a positive impact on asset level. But the mechanism through which poverty reduction works varies between institutions. Generally, institution that give, on average, smaller loans (mostly women) reduce poverty much more by lifting borrowers above the poverty line, whilst institutions giving larger loans (mostly to men) reduce it much more by expanding the demand for labour amongst poor people (Yunus, 1999; Mayoux, 1999).

Moreover, Mosley and Hulme (1998) found evidence of a trade-off between reaching the very poor women and having substantial impact on household income. They found that MFIs programmes that targeted higher-income households (those near the poverty level) had a greater impact on household income. Those below the poverty line were not helped much and the very poorest were somewhat negatively affected. The poorest tended to be more averse to risk-taking. They also used their loans for working capital or to maintain consumption levels rather than for fixed capital or improved technology (Nourse, 2002). Since, micro credit programmes typically require loan repayment on a weekly basis; some critics argue that repayment comes from selling assets rather than from profits of micro-enterprises (Kanoni, 2015)

Consequently, Ifelunini and Wosowei (2012) examined the role of microfinance services on poverty reduction among women entrepreneurs in South-south Nigeria. Using logit model, propensity score matching and instrumental variable methods found that access to microfinance has a positive impact on the per capita expenditure of women entrepreneurs. Also, places of residence as well as the size of households have negative impact on per capita expenditure while education level has positive impact on per capita expenditure. Nichols (2004) used a case study approach to investigate the impact of microfinance up on the lives of the poor in the rural China and found that the participation of poor in MFI program had led to positive impact in their life. Their income have increased, spending on educational and health have increased hence improved their standard of living and also women have benefited out of this program. There were visible sign of higher wealth level within the village.

In a study conducted by Kessy and Urio (2006) on contribution of MFI on poverty reduction in Tanzania, the researchers covered four regions of Tanzania which are Dar es Salaam, Zanzibar, Arusha and Mwanza. Both primary and secondary data were collected; primary data were collected from 352 micro and small enterprises' (MSEs) through questionnaires, interviews were also conducted. The microfinance department of CRDB LTD was used as a case study so as to get the insight of CRDB microfinance operations. The study findings pointed out that to large extent CRDB microfinance operations in Tanzania has brought positive changes in the standard of living of people who access their services, clients of CRDB complained about high interest rate charged, the weekly meeting was pointed out as barrier as the time spent in weekly meeting could be used to other productive activities. The study recommended CRDB to lower its interest rate, increase grace period and provide proper training to rural community (Gedio. Et al., 2015).

Moreover, Kato and Kratzer (2013) investigated how microfinance empowers women in Tanzania. Data were collected from 305 women MFIs members and 149 women non members of MFIs and 4 women and analysed using Mann-Whitney U test. Using the quantitative and qualitative data from three regions of Tanzania, this study shows that women members of microfinance institutions (MFIs) are more empowered compared to non-members in non-program areas. The results show a significant difference between the women members of MFIs and non-members in the dependant variables related to women empowerment. Women members of MFIs have more control over savings and income generated from the business, greater role in decision-making, greater self-efficacy and self-esteem, and greater freedom of mobility and increased activities outside home (Yunus, 1999; Mayoux, 1999, 2002; Yunus and Weber, 2007). Microfinance services are considered as an entry point or a vehicle toward empowering women

Generally, microfinance has seen to have positive impact toward poverty reduction among women only when the loans are used for the intended purpose and be able to repay the loan as required.

2.4.4 Women's Accessibility and Challenges toward Micro-Credit

According to Malamsha and Kimaro (2014), without financial assistance, small farmers and artisanal fishermen cannot cope with temporary cash flow problems, and are thus slowed down in their desire to innovate and expand. The general perception is that access to external finance is critical for women, who may never

have funds proportional to their ambitions. They also lack collateral, good reference, ability to repay the loan and insufficient income.

Denanyoh *et al.*, (2013) examined challenges faced by women entrepreneurs in accessing micro finance in Ghana. A total of 120 respondents were interviewed out of which 80 and 40 women entrepreneurs from Kumasi and Sunyani respectively using convenience sampling. The results confirmed that women entrepreneurs in Kumasi and Sunyani markets are faced with a lot of challenges in accessing loans from microfinance institutions. The study recommends that efforts should be made by micro financial institutions to intensify their campaign to encourage women entrepreneurs to opening savings accounts to improve access to credits.

Moreover, Gedion *et al.*, (2015) in their study analysed the effects of women enterprise fund on women entrepreneurs in Eldoret town. The study found that women's income together with households' incomes have improved with credit. Women enterprise fund has a positive effect on women incomes and house hold incomes. The social welfare of women and their households in general improved. The challenges faced by women borrowers in Eldoret Town in acquisition of credit from women enterprise fund are: long procedures involved in application and long processing, delay in loan disbursement, requirement that a member must have accumulated savings too many requirements, lack of security/ collateral, requirement that one must be a member of a group first, and high cost of acquiring loan.

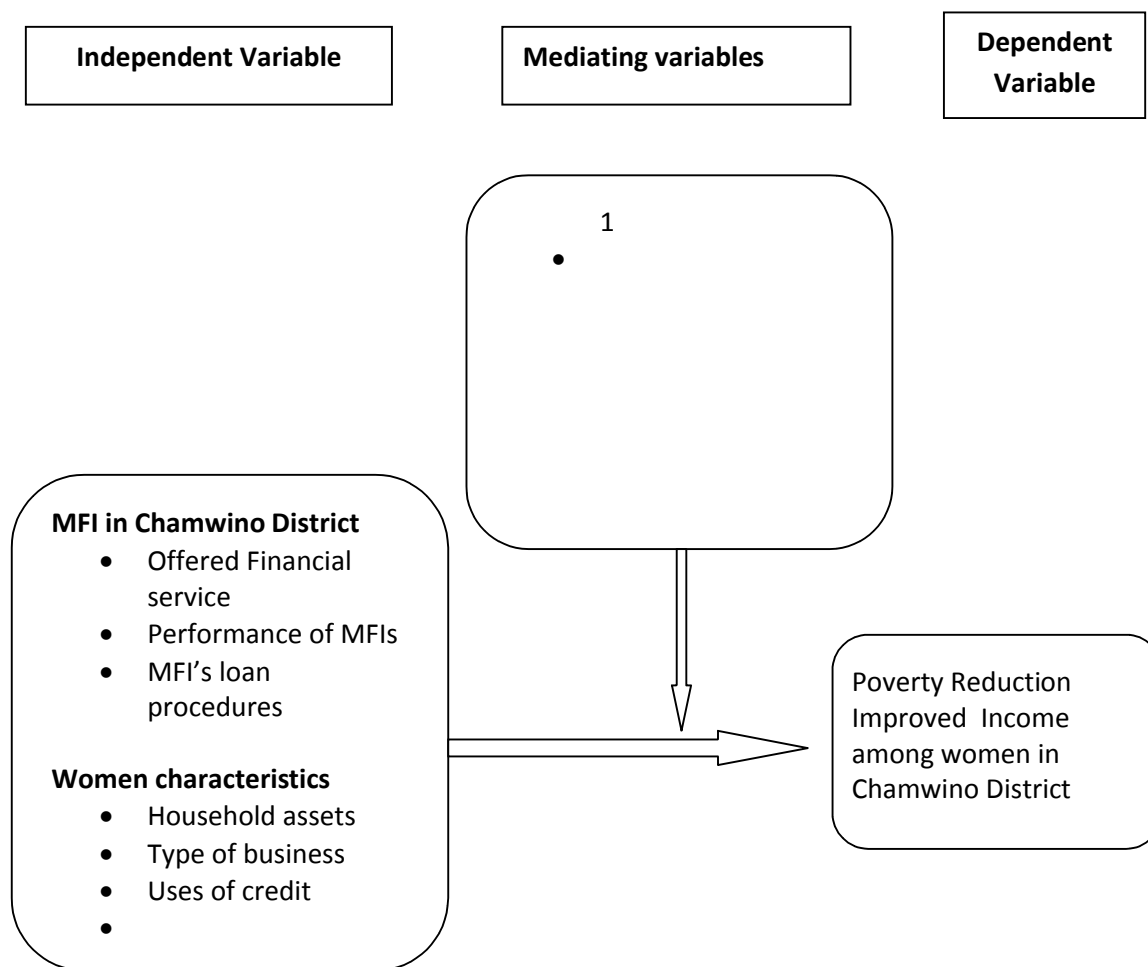
In addition, Rweyemamu *et al.* (2003), evaluated the performance and constrains facing MFIs in providing micro-credit in Mbeya and Mwanza regions. The primary data were collected through a formal survey of 222 farmers participating in the Agriculture Development Programme in Mbozi and the Mwanza Women Development Association in Ukerewe. In the analysis of their study the interest rates were found to be a significant barrier to the borrowing decision. Also the borrowers cited other problems like lengthy credit procurement procedures and the amount disbursed being in adequate and untimely acquisition of loans as reasons for non-repayment. Also, Kato and Kratzer (2013) found similar results.

2.5 Conceptual Framework

A conceptual framework guides research, determines variables a researcher is determined to measure, and a statistical relationships to be employed (Kombo & Tromp, 2006). From the literature review, it is clear that in order for the women to be able to fight properly the war against income poverty it is important to acquire micro-credit from MFIs (Yunus, 1999; Yunus and Weber, 2007). Although this fact has been widely debated in international forums and platforms, the conceptual framework of the proposed study shows how women can get out of income poverty by accessing micro-credit.

A MFI providing financial services to women must create conducive environment both internal and external for the majority of women to access small loans. This depth and breadth of offered financial services to women measures the performance of the MFIs and also (as most of women access micro-credit) improves women's income generating activities (IGAs) which in turn increases women's income and consequently, the income poverty of women is reduced. However, the impact of micro-credit on income poverty is influenced with factors such that how women use loans, household size and dependence ratio, employment, woman possession of assets, woman education level, MFIs performance and age. According to Nourse (2002), Yunus and Weber (2007) and Goey (2014), the poorer households use loan for consumption rather than for productive purposes. Such households as observed by Bwamwojo (2013) tend to get trapped in the vicious circle of poverty forever. On the contrary, women who put their loans in productive activities are likely to realise growth of their income and hence get out of income poverty (Yunus and Weber, 2007).

Figure 2.1: Conceptual Model Showing MFIs Contribution on Women’s Income at Chamwino



Source: Own Compilation Based on Literature Review and Field Data, 2016 and 2017

Moreover, household size and dependence ratio is another factor that influences the growth of woman income. A study by Gilal (2011), found that income of women with more children or dependants grew slowly compared by women without or with fewer than two children. However, Roy (2014) and Wrenn (2007), found that family size doesn’t matter if the size of loan is large enough to uplift the status of women business and their income. This debate call for the analysis to confirm the argument. As it has been elaborated on the use of loans, similarly the woman who possess assets of high value is likely to make use of loans provided by MFIs to improve her income than a woman without the assets.

In addition to that, Women with higher education are likely to make rational decision and innovate her business than a woman with low education (Kanoni, 2015). So education level can be a differentiating factor of business women success. Different studies have found different results pertaining to the influence of education in poverty reduction (Roy, 2014; Gilal, 2011). Other factors which influence women income are age and paid employment woman.

2.6 Definition of Key Terms

2.6.1 Microfinance

Microfinance, according to Otero (1999, p.8) is “the provision of financial services to low-income poor and very poor self-employed people”. These financial services according to Ledgerwood (1999) generally include savings and credit but can also include other financial services such as insurance and payment services. Schreiner and Colombet (2001, p.339) define microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.” Therefore, microfinance involves the provision of financial services such as savings, loans and insurance to poor people living in both urban and rural settings who are unable to obtain such services from the formal financial sector.

2.6.2 Microcredit

Sometimes, the terms microcredit and microfinance are often used interchangeably, but it is important to highlight the difference between them because both terms are often confused. Sinha (1998, p.2) states “microcredit refers to small loans, whereas microfinance is appropriate where NGOs and MFIs¹ supplement the loans with other financial services (savings, insurance, etc)”. Therefore microcredit is a component of microfinance in that it involves providing credit to the poor, but microfinance also involves additional non-credit financial services such as savings, insurance, pensions and payment services (Okiocredit, 2005). In this study, the concept of microcredit will be limited only to small loans given to women.

2.6.3 Microfinance Institution

The definition of a microfinance institution (MFI) is also wide, CGAP defines it as “an organization that provides financial services to the poor” (CGAP 2012), but furthermore it is also common that MFIs provide non-financial services like social intermediation, for example training and education about finance, cooperatives and group formation (Ledgerwood 1999:1, Bee 2007:153).

2.6.4 The Concept and Definition of Poverty

The word “poverty” and /or “poor” originated from the Latin word *pauper* meaning poor, which has its roots in the words pau- and pario that is “giving birth to nothing”; referring to unproductive livestock and farmland (Westover, 2008). There are many definitions of poverty, according to how it is viewed. Encyclopaedia Encarta defines poverty as the condition of having insufficient resources or income. In its most extreme form, poverty is a lack of basic human needs to sustain as useful and working efficiency such as adequate and nutritious food, clothing, and housing, clean water and health services.

According to the United Nations Human Development Report, (1998), poverty is defined as a complex phenomenon that generally refers to inadequacy of resources and deprivation of choices that would enable people to enjoy decent living conditions. Yunus (1994) on the other hand defines it as the denial of human rights relating to the fulfilment of basic human needs. Poverty is hunger. Poverty is lack of shelter. Poverty is being sick and not being able to see a doctor (World Bank, 2005). Poverty is losing a child to illness brought about by unclean water. Poverty is powerlessness, lack of representation and freedom (World Bank, 2005). According to the Ghana Poverty Reduction Strategy (GPRS) (2004), poverty is now recognised as multi-dimensional with complex interactive and causal relationship between the dimensions. According to SIDA (2005), the poor often lack access to finance and income-earning opportunities. Therefore, this study adopted SIDA’s definition.

2.6.5 Income Poverty

Encyclopaedia Encarta defines income poverty as the condition of having insufficient income to enable acquires the basic needs to lead decent life. In its most extreme form, income poverty is a complete lack of fund to get basic human needs to sustain life. The basic needs are such as adequate and nutritious food, clothing, and housing, clean water and health services.

2.6.6 Poverty Reduction

Poverty reduction is a set of measures, both economic and humanitarian, that are intended to permanently lift people out of poverty (The Concise Oxford Dictionary of Current English, 1982).

2.6.7 Financial Services and Micro and Small Enterprises

According to pecking order theory the firms prioritize their sources of funding starting from internal finance, debt and then equity. That is to say there is a tendency of the firms to go to loan option after they have exploited own internal savings or have none. Myers and Majluf, (2004) argued that, this is due to the fact that there exists information asymmetry between managers of the firms or enterprises (insiders) and investors (outsiders).

Studies (World Bank, 2000; ILO, 2002) have shown that many MSEs lack accesses to finance for starting, operating and expanding their businesses. The estimated demand for MSE credit in Tanzania was 2.5 million borrowers, compared to about 50,000 borrowers being served currently (SIDO, 2002). The largest demand for credit was in the range of Tshs 50,000 to 500,000. Small and short-term loans (typically rising in stages from Tshs 50,000 to 500,000 per MSE recipient or loan group, with a repayment period of 6-12 months) are available from several MFIs, of which PRIDE and Poverty Africa are the most prominent and widespread. The main beneficiaries' are microenterprises primarily in trade, food vending and agriculture. Loans attract an interest rate of between 25 and 40 per cent per annum, which is above the commercial lending rate (20-25 per cent). These rates would be a disincentive to long-term borrowing even if this was available.

2.6.8 Innovative Income Generating Activities

Innovation, in most cases, has wrongly been used interchangeably with the word "invention". However, these are two different things. While invention refers to creation of something new, innovation is the actual putting of the new thing into the marketplace. According to Mutlu & Er (2003), invention is the first step in the long process of bringing a good idea to widespread and effective use; and invention cannot be termed as innovation unless it has been put in the market or any other effective use. Innovation is both the process of introducing something new and useful, and the new thing itself. It is a concept of very general application, and there is a wide range of approaches to conceptualizing innovation in the scholarly literature (Fagerberg & Verpagen, 2004).

Archibugi, *et al.*, (1994) define innovation as successful creation, development, and marketing of new goods or successful application of new techniques or ways of working that improve the effectiveness of individuals and organizations. Inherent in this definition are four types of innovation: these are product and process

innovation, which are technological innovations; and organizational and market innovations, which are non-technological innovations. Therefore innovation generally refers to the creation of better or more effective products, processes, technologies, or ideas that are accepted by markets, governments, and society.

2.6.9 Women Empowerment

A management practice of sharing information, rewards, and power with employees so that they can take initiative and make the decision to solve the problems and improve the services and performance. Empowerment is based on the idea that giving employees skills, resources, authority, opportunity, motivation, as well as holding them responsible and accountable for outcomes of their actions, would contribute to their competence and satisfaction (Fagerberg,2004).

2.7 Research Gap

In this study the research gap has been observed from two perspectives: literature gap and practical gap. Rigorous empirical analysis of impact of microfinance began in the1990s. Several studies have been conducted in Tanzania to determine the impact of MFIs to the poor (Semboja 2004; Wangwe, 2004; URT, 2009; Ahlen, 2012; Goey, 2012; Haji, 2013; Girabi and Mwakaje, 2013 and Manongi, 2013). However, there are limited studies on the impact of bonafide MFIs in reduction of income poverty among women (Jamal, 2008; Garikipati, 2008; Haule, 2008; Gogadi, 2011; Sumari et al., 2013; Chipindula and Mwanga, 2015). Moreover, these studies have mixed results, where by one group advocate that simply putting financial resource in the hands of poor women is not enough to bring about empowerment and improved income (Jamal, 2008; Garikipati, 2008; Haule, 2008), while the other group of scholars agrees that microfinance brings about hence empowerment of women (Gogadi, 2011; Sumari et al., 2013; Chipindula and Mwanga, 2015). Given the fact that there are limited literatures and the few present provide contradicting results, then, the need for further research in this topic arises.

The empowerment of women is one of the main issues in Tanzania since independence. The introduction of MFIs is seen as the best alternative source of financial services for women as a means to raise their income, hence reducing their poverty level and oppression. And the evidence shows that microfinance activities are increasing (Semboja, 2004; BOT, 2009; Ahlen, 2012). However, despite the increase and efforts taken to integrate women in micro financing, still around 70% of 17 million people who live below income poverty line in Tanzania are women (EEA,

2009; McFerson, 2010; Galile *et al.*, 2015). This suggests that there is a gap in literature of bonafide MFIs contributes in reduction of women's income poverty. Therefore, the proposed study aims at filling the gap to investigate those variables other researchers overlooked.

2.8 Chapter Summary

Chapter two summarises the theoretical analysis which related to the same view, performance of any variable is usually ascribed to integration of several factors. The chapter continues to explain about the importance of the efficiency performance of microfinance institutions in micro-credit provision to women clients and how helps in poverty reduction. This has been a debate for years. Recently, due to rapid growth of financial markets and financial innovations, it has become more important to measure the efficiency of microfinance institutions. This is because the contribution of MFIs in women growth and people's livelihood is expected to bring about the economic development of the country. The chapter reviews past studies on a contribution of microfinance to the reduction of poverty through its impact on income and also on asset level. Also the chapter reviews the challenges clients encountered during borrowing process. These include high interest rate, collateral and poor income. Lastly, the theory was used to develop conceptual framework which guided a researcher toward assessing the impact of bank loan to livelihood of Dodoma women.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Chapter overview

This chapter explains the methodological procedures used to collect relevant data for the research problem articulated in chapter one. Moreover, it focuses on the research design, the geographical study area, the target population, sample and the sampling techniques. It also includes description of the methods which was used to collect data, and the procedure for data analysis.

3.2 The study area and its characteristics

Chamwino District is located to the East of Dodoma municipal about 25 Km along Morogoro Road. Chamwino District's is located within Dodoma Region at 06°05'55"S 36°02'17" E6.09861°S 36.03806°E. It hosts the state house of the government of URT. Chamwino District is one of the seven districts of the Dodoma Region of Tanzania. Chamwino District is bordered to the north by Chemba District, to the east by Manyara Region, Kongwa District and Mpwapwa District, to the south by Iringa Region, and to the west by Singida Region, Bahi District and Dodoma District. Its administrative seat is the town of Chamwino. According to the 2012 Tanzania National Census, the population of Chamwino District was 330,543. It is one among the fast growing areas in Tanzania and there a lot of micro financial institutions to serve the rapid growing population. The district is purposively selected for this proposed study because of high income poverty incidence despite high MFI activities in the area (URT, 2010; Mazengo, 2011; URT, 2012 and Coulson, 2013). In year 2015/16 Chamwino district faced a very severe famine and people were reported to eat roots and wild fruits (DailyNews, Jan 22, 2016). Also the district has recorded death caused by hunger and malnutrition and victims were women and children (Mazengo, 2011; URT, 2012).

Figure 3.1: Map of Chamwino District



Source: URT Dodoma Region Office, 2017

3.3 Research Design

The proposed study adopted a cross-sectional survey design because in the proposed study, data were collected from different rural households, analysis and interpretation was done in a single point in time. Cross-sectional design allows the researcher to get data from multiple cases at the given point in time so as to analyse relationship across number of variables of interest (Mann, 2003). In this proposed study, the relationship of different variables was analysed to explore their influence on reduction of income poverty. Also, this design has the ability to deal with both qualitative and quantitative data collected simultaneously in a single phase (Blanche, *et al.* 2006; Terrell, 2011). Moreover, the use of survey design was more useful both in term of economy and rapid turnaround in data collection and its ability to identify the characteristic of the population. The data collected through survey design can also be used to generalize the findings from sample of responses to the population (Creswell, 2009).

3.4 Research Approach

The proposed study employed a mixed method approach where by both quantitative and qualitative methods were applied in an approach where by quantitative method dominated the study and qualitative methods was used to help explaining quantitative findings as explained by Steckler *et al.* (1992), Clark and Creswell (2011) and Creswell (2014). The reason for using this approach is to describe systematically and accurately the situation in the area of the study about the impact of MFIs in reducing poverty among poor women.

3.5 Types of Data and Collection Tools

Both primary and secondary data were collected. Quantitative Primary data was collected from women using structured questionnaires which were administered by the interviewer. Moreover, qualitative primary data were collected from Key Informants (KIs) using interview guide (Odhero and Kombo, 2002). On the other hand, the secondary data was collected by reviewing different documents on MFIs in connection to poverty reduction

3.6 Data Collection Methods

3.6.1 Survey Questionnaire

Structured questionnaires were employed to the sampled women to collect quantitative primary data. Outline of information gathered through a questionnaire which helped in the analysis of the impact of MFIs in poverty reduction among women are such that; household income, microcredit acquisition, household size, household assets, education level and age. This method employed the use of one research assistant in order to quickly facilitate data collection process from households (Odhero and Kombo, 2002; Kothari, 2012). A researcher chose an assistant who was familiar with MFIs operations not only to simplify the training process but also to insure accurate data collection

3.6.2 Questionnaire Pre-testing

Before the actual data collection, the questionnaires were pre-tested by the author to five (5) respondents to assess its usefulness to measure the proposed objectives (Kothari, 2004; Creswell, 2014). Questionnaire pre-testing allowed the researcher to assess the average interview time, relevance of questions to be asked and how easy the questions could be understood by the respondents (Kothari, 2004).

3.6.3 Key Informants Interviews (KIIs)

Interviews with Key Informants (KIs) will be conducted face to face at comfortable place as agreed by KIs using a pre-prepared checklist or interview guide. An interview guide will be used to probe on the local aspects like the weaknesses, strength and appropriateness of institutional arrangement for MFIs and their contribution to reduce income poverty of women (Odhero and Kombo, 2002). Indeed a researcher will listen carefully to the recurring themes, issues, opinions and comments relevant to the study. KIs will be asked for their consent to allow researcher to use voice recorder in capturing information.

3.7 Sampling Techniques

3.7.1 Target Population and Sampling Frame

Target population in this study was all women who are members of MFIs in Chamwino district. A sampling frame of the proposed study comprises of all women who have been benefiting from MFIs micro-credits for at least a year and so on. Therefore a sample size was drawn from this frame (Creswell, 2014).

3.7.2 Unit of Analysis

A unit of analysis is defined as the addressed key factors a researcher sets out to investigate and comes back in the end of the study with evaluated knowledge about it (Kyessi, 2002). This study treated women who have accessed micro-loan within a year or more as unity of analysis. Other community agents dealing with MFIs were treated as key informants.

3.7.3 Sample Size

According to district cooperative report of 2016, Chamwino district has a total number of 1719 women that are benefiting from the MFI loan services. The sample size for women to be surveyed was obtained by using the Krejcie and Morgan (1970) formula: $n = \frac{N}{1 + N(e)^2}$. Where n = Sample size, N = Total number of women with certain characteristics, e = precision factor coefficient (5%), $n = \frac{1719}{1 + (1719)(0.05)^2} = 260$. Therefore the total sample size for women to be surveyed will be 160. However, due to resource constraint only 100 women were surveyed. This sample size is considered partly for statistical reasons and partly for logistical considerations (Green, 2008; Gujarati, 2014). Statistically, the sample size is large enough to study and make generalisations about the population (Green, 2008). Logistically, this sample size is considered proportionate of the population under study (Gujarati, 2014).

3.7.4 Sampling Approach

The proposed study used both probability and non-probability sampling in selecting a sample (Kothari, 2004; Tejada and Punzalan, 2012). A multi-stage sampling was used considering the nature of the study. The multi-stage procedure was a three - stage, purposive and randomized sampling approach. The three stages involved selection of: firstly, a Dodoma region, Chamwino district and wards to be studied; secondly, beneficial women and thirdly, women to be surveyed.

In the first stage, Dodoma region has been purposively selected due to its proximity and accessibility to researcher because it is where a researcher's work station is located. Chamwino district also has been selected due to the fact that income poverty incidence among women is high (URT, 2010; URT, 2012 and Coulson, 2013). Administratively, Chamwino is made up of 36 wards. For the proposed study, six wards with the highest income poverty among women (Mazengo, 2011) will be surveyed. These wards are; Chinugulu, Loje, Zajilwa, Mvumi Makulu, Handali and Igandu.

In the second stage, purposive sampling method was used to select microfinance beneficiaries' i.e. women who have benefited from MFIs services in a period not less than a year. Then a comprehensive list of beneficiaries was developed. Thereafter, a third stage employed a simple random sampling to select a woman from a list of beneficiaries, and was included in a sample.

3.8 Selection of Key Informants (KIs)

KIs are defined as opinion leaders or informed opinion holders (Powell, 1999). Thus, purposive sampling was employed to select the following KIs: - District officials, ward officials, MFI workers and village leaders as put forward by Onwuegbuzie and Leech (2007) that in purposive and convenience sampling, researcher chooses individuals that are conveniently available, knowledgeable on a topic under scrutiny and willing to participate in the study.

3.9 Data Analysis Plan

3.9.1 Qualitative Analysis

Thematic analysis was used to analyze interview transcripts, relevant document and observation notes in order to identify patterns of recurring themes and sub-themes in line with the research questions. According to Lacey and Luff. (2001), thematic analysis is the most common form of analysis in qualitative research as it

emphasizes pinpointing, examining, and recording patterns (or "themes") within data. Themes are patterns across data sets that are important to the description of a phenomenon and are associated to a specific research question. Procedures for analyzing qualitative data were informed by the works of Lacey and Luff (2001), Saunders et al. (2007) and Creswell *et al.* (2004) as follows: (i) Audio-recorded interviews was transcribed exactly to generate interview transcripts (ii) Then transcripts were read several times in order to get a sense of the entire data set and interesting phrases and concepts will be noted (iii) Codes were assigned to specific meanings or themes in the textual data (iv) As new perspectives emerge, close related codes were sorted and merged into themes (v) Based on the research questions, findings were discussed using actual quotes in relation to the theoretical and empirical literature as well as conceptual framework.

3.9.2 Quantitative Analysis

Data to be collected through structured household questionnaires were summarized and coded. After coding, data were entered into SPSS software for analysis. Statistical package for social sciences (SPSS) computer programme version 21.0 and Microsoft excel 2007 were employed in data analysis. A descriptive statistical analysis was used in exploring the data for distribution of responses, cross tabulation analysis and central tendencies. Specifically, for associative analysis, the multi regression model was used in the analysis of the quantitative data in which, model chi-square analysis was used to test the model goodness of fit. The study used Least Square Estimate (LSE) at 1% level of significance was referred while making decisions of testing all variables of this study.

3.9.3 Econometric Model Specification for Associative Analysis

The econometric model was used measure the impact of microfinance on women income. This model was used because it has ability to measure the causal effect relationship between independent and depend variables. As per this study the model was proper in analysing the correlation between MFIs features as well as women characteristics and the income poverty reduction among women. Moreover, the model was employed because the dependent variable 'income' is numerical. The model was adapted for this study from Gujarati (2014) with some modifications:

$$Y = \delta_0 + \alpha X + \beta Z + \lambda MF_p + \mu$$

Where:

Y = income for woman, which is the dependent variable used as a proxy for household welfare.

X = vector of individual characteristics of the respondents (age, education level, paid employment)

Z = vector of household characteristics (household size, value of household assets)

MF_p = microfinance performance (1 if efficient and otherwise 0).

μ = error term (assumed to be normally distributed with mean=0 and variance=1).

$\delta, \alpha, \beta, \lambda$ = vector of parameters/parameters estimates.

3.10 Ethical Consideration

In fulfilling ethical requirements, researcher obtained research clearances from ward and village executive officers of respective wards and villages as well as informed consent from respondents. To ensure confidentiality, codes or pseudonyms were used instead of the authentic names of the respondents. Key informants were asked for their consent for the use of voice recorder during interviews and they did not agree so a researcher and research assistant took notes. Also, the student embarked a data collection task after being granted an introductory letter from SJUT explaining the purpose of the research and the purpose of use of requested information.

Moreover, the author acknowledges other authors whenever their works are used in this text. Each work used in this study is acknowledged to the original author. If there is any work that has been used and not cited to the original author it must be taken as human error.

3.11 Validity and Reliability

3.11.1 Validity

Validity refers to the accuracy of measurement (Sullivan, 2011). According to Cohen et al., (2000), Validity of instrument is a process of establishing documentary evidence which provides high degree of accuracy. Thus, validity is concerned with whether our research is believable and true and whether it is evaluating what it is supposed or purports to evaluate (Zohrabi, 2013). Content validity addresses the match between test questions and the content or subject area they are intended to

assess (Sullivan, 2011). In this study, this was achieved by the use of mixed data collection methods that can complement one another. This helped to minimize the weaknesses of any single approach and increase the reliability of data collection. Moreover validity was attained by sharing ideas with other researchers and research supervisors; this strengthened the research findings and interpretations (Cohen et al., 2000).

3.11.2 Reliability

Reliability deals with consistency, dependability and explicability of the results obtained from a piece of research (Nunan, 1999). In this proposed study reliability was achieved by pre-testing (Test-retest reliability) instruments of data collection and training research assistants until they were well equipped and until language, wording and tools were able to capture reliability of data to be collected. Reliability was be attained by testing the same data using different research instruments (Cohen et al., 2000)including crosstabs and frequencies to see if data produces the same results.

3.12 Overall limitation of the Study

This research was affected by different limitations such as;

- i. Data availability problems; many of the women were busy with farming activities and some of them tend to move to the farms which are located far away from the study area. However, managed to follow them where was possible.
- ii. Language problems; some of the women do not speak good Swahili. So the researcher hired a translator who knew local language (*Kigogo*).
- iii. Insufficient fund; the researcher also faced problems in getting sufficient fund to undertake broader investigation. Fund for undertake a survey was not enough.
- iv. Inadequate time limit; the researcher also encountered the problem of the shortage of time during the process of conducting this study.

3.13 Chapter Summary

Chapter three is about research methodology, it consists of research design where the researcher used cross sectional survey design where by both quantitative and qualitative methods were employed. Also the researcher provided the description of the study area in which the research was conducted, data collection methods which the researcher used in her research included interviews, questionnaires and document review so as to collect various types of data which were primary and secondary data, sampling techniques were jotted down such as non probabilistic purposive sampling and simple random sampling to select respondents. The sample size selection was also explained which the researcher selected among women beneficiaries of micro credit given by MFIs in Chamwino District.

Moreover, the researcher ensures the reliability of the data collected by collecting the data from women beneficiaries of micro credit given by MFIs in Chamwino District only, also the researcher ensures the validity of data to be collected through interviews, questionnaire and by reviewing all research documents of the interest, and lastly the researcher outlines how data is going to be managed and analyzed. Moreover, the researcher analyzed the overall limitations of the whole study or research.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Chapter Overview

Chapter four presents research findings regarding the contribution of bonafide microfinance institutions in reducing income poverty among women in Chamwino District. The chapter is divided into five sections. The first section gives the general characteristics of respondents. Such as age, gender, education level, occupation and household size. Section two presents women's attitude about bonafide MFI services for income generation in Chamwino district. Section three presents performance (efficiency and effectiveness) of bonafide MFIs in providing financial services to women in Chamwino District. Section four presents the extent MFIs influence income of women in Chamwino District. Section five contains women's accessibility to MFIs services in income generating activities in Chamwino District and the last section explains about the challenges that hindering loans accessibility and servicing of loaned debts.

The study involved a total of 100 respondents where by all of them were women. The questionnaires were distributed randomly to 100 respondents namely; women who had accessed micro-credit from a bonafide MFI for at least a year. The KIs were interviewed using an interview guide and the type of information from the interviewees was on the general procedures of loan provisions, capacity of MFIs to give loan, time taken from application of loan until an entrepreneur gets a loan and the requirements for eligibility to be given a loan. The main objective of the study was to analyse the impacts of bonafide MFIs in reducing income poverty among women of Chamwino district in Dodoma, Tanzania.

A total of 100 questionnaires were distributed during the data collection process and all 100 questionnaires were returned with 100% response rate. Each questionnaire was inspected for the purpose of detecting errors as well as cleaning before being coded and entered in the SPSS software for analysis. The process of inspection was done in two ways; during the data collection in the field as well as during the process of coding the data. In the field, the data were inspected in order to detect the most obtrusive omissions and inaccuracies. All 100 questionnaires were being properly filled and contained complete answers and they were all usable. This amount of questionnaires was considered excellent for the subsequent analysis as per the Creswell (2014) postulated that questionnaires should provide proper quality of research information.

4.2 Results and Discussion of Findings

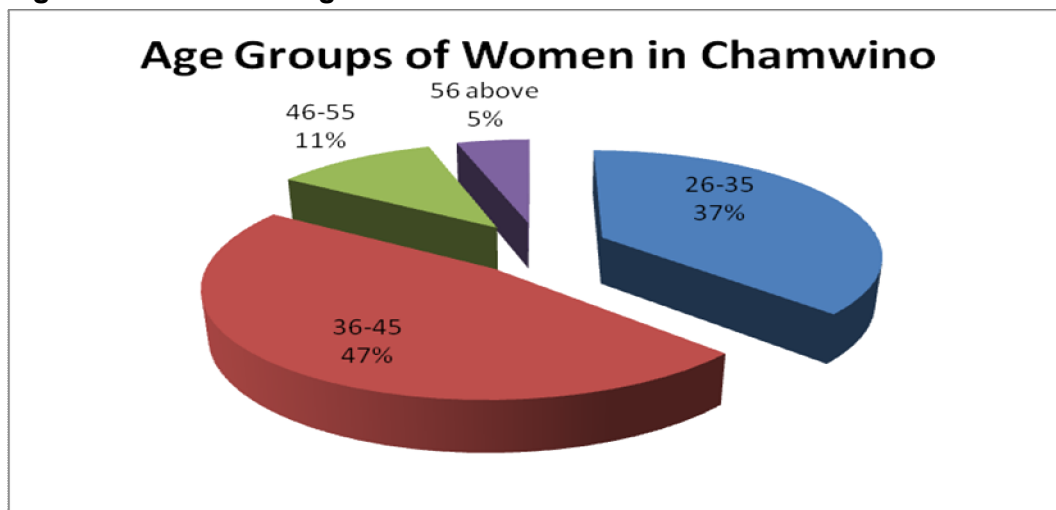
4.2.1 Social and Demographic Features of Women

In any research which deals with individuals, knowing the characteristics of respondents is very important and is significant for the researcher to know the kind of people he/she is dealing up with. Apart from knowing the number of samples from different women, in this study a set of personal characteristics namely; The women's', age, education level, experience in Income Generating Activity (IGA), occupation and household size were examined due to their importance when evaluating women performance.

4.2.2 Distribution of Respondents Age

Total of 100 women were surveyed using a questionnaire. All surveyed women have been accessing loan for more than a year period of time. All women were divided into four age groups, 37% (n=37) were between 26-35 years, 47% (n=47) were between 36-45 years and 11% (n=11) were between 46-55 and 05% (n=05) were above 56 years respectively. The minimum age was 26 and the maximum age was 58 years. The mean age was 36 years. This implies that the majority of clients involved were still economically active. These results coincide with the entrepreneurship readiness curve whereby the ideal time for one to start a business is a period between 25 years to 37 years (Helms, 2006). At that age range, according to that curve, there is a balance between preparatory experiences and material asset and this period is termed as free choice period (Helms, 2006). Older people have level of maturity in that sense age becomes more important to examine the response.

Figure 4.1: Women's age distribution



The findings of this study are in line with the study done by Ablorh (2011) who found out that most of the women entrepreneurs in Accra Ghana were in their active age (ages of 36-45) and had potential for growth and development for empowerment. That is, the dynamic, enterprising, risk taking and working class age. They have the potential to grow their savings and investment and consequently support themselves, the company and the economy at large. Also the findings of this study corroborate with the findings of Kagine (2013) in her study on microfinance institutions and women economic empowerment in Mbeya city, found out that majority of women entrepreneurs were aged between 36-45.

4.2.3 Business Experience of Respondents

Also, as a say goes that ‘experience is a great teacher’. This say is very important in any kind of occupation because we learn a lot by doing than in classrooms. According to entrepreneurship readiness curve the period between 20 and 32 years is a time for rapid increase in experience, competence and self-confidence while the period between age 32 and 43 years is the time of rapid increase in the financial and other assets shift in values to encompass other areas in addition career. Therefore, given those presuppositions, the study is in line with entrepreneurship readiness curve as it found that most of women 67.00% (n=67) at Chamwino district have experiences of six to 20 years as table 4.1 shows that 35.00% (n=35) have six to 10 years experience in business and 32.00% (n=32) possess 11 to 20 years experience. A business woman with more than six years experience is far better in handling business activities and is likely to work efficiently than a newly business woman. The findings of the study is similar to what Kanoni (2015) found in Kigoma.

Table 4.1: Experience in income generating activity (Business Experience)

Experience in years	Frequency	Percentage (%)
01-05	22	22.0
06-10	35	35.0
11-20	32	32.0
21+	11	1.0
Total	100	100.0

4.2.4 Marital Status of Respondents

The married dominated the respondent's base in implying that, they (married) have various source of capital, own some asserts for collateral and their social network is much larger compared to unmarried ones. Also they have difficulties and many responsibilities to get involved in the asset development or enterprising through business than the single ones. They are more concerned about getting employed, through self-employment to support their husbands in order to solve financial difficulties around their families.

Table 4.2: Marital status of respondents

Marital status	Frequency	Percentage
Married	77	77.0
Single	02	02.0
Separated	06	06.0
Divorced	08	08.0
Widowed	07	07.0
Total	100	100.0

Among the women, 77.00% (n=77) were married while 23.00% (n=23) were not married and among unmarried 17% (n=17) were single moms respectively. This means that both married and single women were engaged in micro and small enterprises due to the fact that women are now empowered for self reliance unlike during the past when they (women) could solely depend on men to fend for their living. These findings are in line with the study by Ablorh (2011) who affirmed that married women in SME's take the greater share of the study, have responsibility towards taking care of their various homes and hence this category needs financial liberation. Moreover, Some MFIs operators believe lending to unmarried women could be risky. The event of marriage could lead to change of locality or profession, and a possibility of default". Therefore, Microfinance Institutions have the role to play in influencing the reduction of income poverty of women in Chamwino district.

4.2.5 Respondents' Employment Status at Chamwino

The financial liberation improves quality of life as determined by an individual's occupation and the incomes she derives from it. Occupation of an individual also socialized her in a particular fashion which in turn reflects her pattern of behaviors and her level of understanding of particular phenomenon. In other words the

person's response to a problem is possible determined by the type of occupation she is engaged in and that's why variable employment was investigated by the researcher. The study found that 38.00% (n=38) are employed while 62.00% (n=62) are not employed. Person's occupations in which it is related to Socio economic status was an influencing factor on the behavior of women (Sigalla and Carney, 2012) established fact that affordability help to acquire healthful behaviors.

Table 4.3: Employment record of respondents

Employment status	Frequency	Percentage
Employed	38	38.0
Not employed	62	62.0
Total	100	100.0

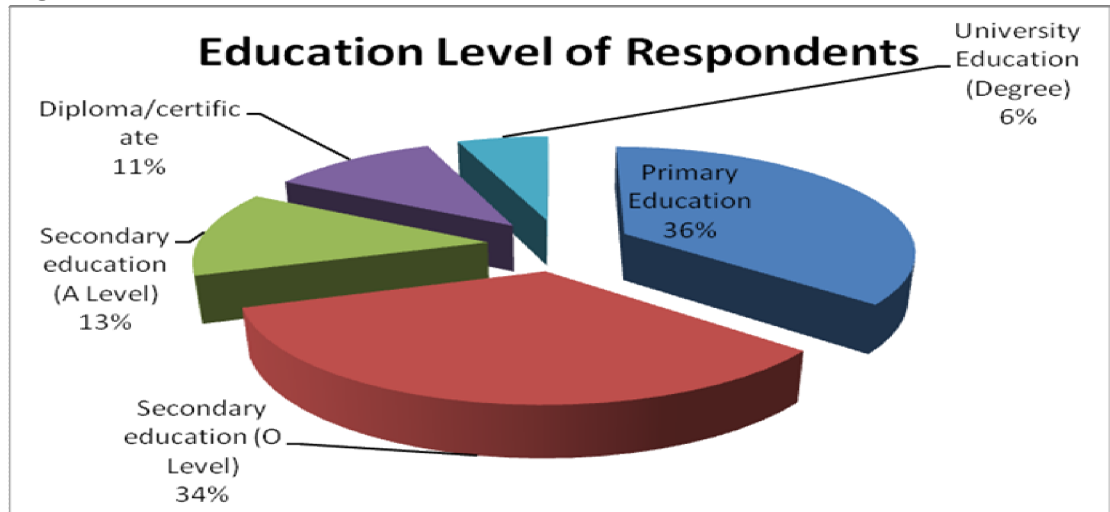
4.2.6 Education Levels of Respondents

According to (Kanoni, 2015) and Bwamwojo (2013), education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular family economic phenomena. In a way, the response of an individual is likely to be determined by his educational status and therefore it becomes imperative to know the educational background of the respondents. Education level of respondents was considered in this study so as to determine whether women's level of business understanding has an influence to their engagement in Micro and Small enterprises. Moreover, as for education, the majority about 36.00% (n=36) and 34.00% (n=34) of women had primary and ordinary level secondary education (i.e. form four) respectively. This implies that most of the women businesses have lack of professionals for competent management. As majority possesses standard seven education, translations of policies and regulation as well as innovation to new competitive products in the market are very minimal. However, in case of form four education, this level is probably sufficient to successfully operate a small and medium business enterprise. Moreover, around 13.00% of surveyed women possess advanced level secondary school education in different combinations of subjects.

On the other hand, 11.00% (n=11) have college education whereby four women possess diploma and seven were certificate holders. Consequently, six percent (n=06) possess university education whereby one respondent have masters degree and the others were bachelor degree graduates. Education level is a very important

variables in studying the decision making process of women entrepreneurs and ability to take and assimilate risk. Many studies found that education level help in making rational decision for the development of the business.

Figure 4.2: Women’s Education Level at Chamwino



4.2.7 Economic Activities of the Respondents and Loan Size

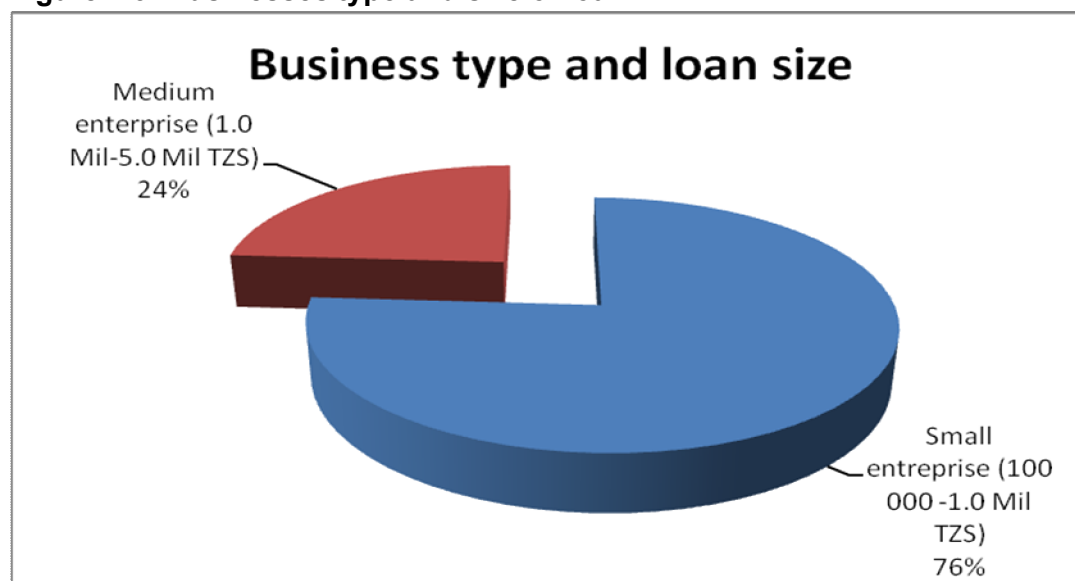
Economic activities of women were considered in this study to determine women’s multiple means of earning a living. Women were asked to mention the type of enterprises they were running. The results indicate that the majority 76.00%; (n=76) were in small scale category who had loans ranging between 100,000 TZS to 1 million TZS (see Table 4.3). Most of these women in small scale category run businesses such as garments, cosmetics, crops, food selling and agribusiness. Also, a small proportion 24.00% (n=24) was in group of medium scale category with loans above 1.00 million TZS to 5.00 million. For this later group the loans accessed were for running stationary, bar and restaurant and whole sale enterprises. These result show that, majority of Chamwino district women had obtained loans from Microfinance institutions for innovations. Women have multiple means of eking out their living.

Table 4.4: Most Common Economic activities carried by women

Type of business	Frequency	Percentage
Tailoring & Garments	11	11.0
Selling Cosmetics	5	05.0
Crops production	23	23.0
Food Vending	28	28.0
Stationary	4	04.0
Bar and restaurant	22	22.0
Whole sales shop	7	07.0
Total	100	100.0

These results are in line with ILO (2003) that women entrepreneurs experience upward mobility in terms of formalization, employment growth and size of business established in a given period of time, for supplementing incomes, or enjoyment of the work they are doing by using existing competencies. Kasango (2014), in his study on contribution of women enterprises in job creation to female youth in Singida urban found that 10 % of women were involved in trading sector including owning wholesale shops importing and supplying large quantities of food products.

Figure 4.3: Businesses type and size of loan



Some supply soft drinks and alcoholic beverages on a retail and wholesale basis. On the other hand, some of them involved in selling cosmetics, foodstuffs, plastic wares and kitchen utensils on retail and wholesale basis. Moreover, the findings by Kasango (2014) indicated that 25.5 % were involved in business venture including catering services, restaurants, snack shops and bakeries, dressmaking, hairdressing, food and cash crop processing such as sunflower oil processing whereas 32.7 % of them were in processing entrepreneurial sector like preservation of fish by smoking, drying or salting. The interviews with the women revealed that they buy fish from the fishermen and preserve it by smoking, sun-drying or salting.

On the other hand, Kasango (2014) observed that, 10.9 % were involved in manufacturing sector including handicraft making earrings, assorted bead making and pottery making, soap, detergent, cosmetics and shampoo production. Moreover, 17.3 % were involved in industry sector such fabrics, for example the batik, and tie and dye making. The women involved in these ventures are innovative and have the abilities and skills to blend different colors to produce beautiful fabric. Finally, 3.6 of the respondents involved in service sector especially education sector including niche markets in the area of pre-schools (childcare), vocational schools which cater for school drop-outs, who otherwise would be on the streets without any skills.

In general, the majority entrepreneurs get involved in small businesses, and this may be attributed by the fact that, they require low start up cost, low technical skills and also the businesses fetches many customers and they are easy to obtain low materials in the area of operation.

4.3 Perception of Women toward Bonafide MFI's Loan Services

Microfinance recently has been criticized by many for not delivering on their earlier promise and expectations. So a livelihoods framework, based on that developed by the Department for International Development (DFID), was used to measure the perceptions of the impact of the MFIs, by focusing on the capital assets of women. Impact on the financial capital (household income), physical capital (household assets), human capital (health and education), natural capital (access to land and to water) and social capital (networking, support base) of women was assessed so that the overall impact on women's livelihoods could be ascertained. The findings of the study are based on this analysis of impact on each of the five livelihood capital assets of surveyed women.

The findings of the study shows that 86.00% (n=86) of all women access micro loan occasionally which is once or twice a year while about 14.00% (n=14) of women said they access micro loans more than three times a year. However, not surprisingly, when cross reference was done between women business size and how often they access loans, it was found that 37.00% (n=12) of women who own medium firms accessed loans so frequently and only 03.00% (n=02) of women in small size businesses did the same. This might be attributed by the differences in volume of business transactions which affects the ability to repay loans. Medium sized businesses stand a chance to repay their loans than small businesses. This fact was also found by Nawai and Shariff (2010) and (2013); Ochung (2013) and Njangiru, Maingi and Muathe (2014).

Moreover, the intention of the very existence of MFIs have found to be to help women entrepreneurs at Chamwino district as 88.00% (n=88) of surveyed women pointed out. However, 74.00% (n=74) of women confirmed that MFIs have been giving them a helping hand since started using their financial services. On the other hand, it was unpredictable to find that 24.00% (n=24) of women said that MFIs are not helpful to them. Furthermore, the study found that 33.00% (n=33) perceived that MFIs are very helpful to them and 41.00% (n=41) believe that MFIs have helped them in different ways and 06.00% (n=06) are not sure of whether MFIs have impact on their businesses or not. But about 18.00% (n=18) claimed that MFIs have not helped them with 02% (n=02) saying that they have not been helped by MFIs at all.

In case of ways which MFIs has helped women in Chamwino district, the study found that financial capital in terms of household income and business capital of about 92.00% (n=92) women have increased. Not only that but also MFIs have helped women in Chamwino in different ways such that poverty reduction 78.00% (n=78), to acquire physical capital such as household assets 61.00% (n=61), to raise human capital in terms of affording better health facilities and to pay for children education 74.00% (n=74). Also, about 62.00% (n=62) of women said that MFIs have helped them acquire land by giving them the ability to pay for the land something which they hadn't before. Lastly but not least, MFIs have impacted Chamwino women's social standpoint by connecting them with not only women but also their counterparts men from other parts of Dodoma region as well as the whole country. These networks enabled women to interact both socially but also economically in a broader area. This finding has been confirmed by 74.00% (n=74)

of surveyed women in Chamwino district. These results are in line with what Wrenn (2007) found.

Table 4.5: Perception of women toward MFIs Loan Services

Question	Category	Frequency	Percentage
How often do you access micro-loans in a year?	Occasionally 1-2 times	86	86
	Frequently 3 or more times	14	14
Do you think MFIs are there to help?	Yes	88	88
	No	12	12
Do you think MFIs are helpful to you?	Yes	74	74
	No	26	26
If they are helpful, in which ways?	Increase financial capital	92	92
	Decrease poverty	78	78
	Increase physical capita	61	61
	Increase human capital	74	74
	Improve social capital	74	74
	Increase natural capital	62	62
To what extent are MFIs helpful to you?	Very helpful	33	33
	Helpful	41	41
	I don't know	06	06
	Not helpful	18	18
	Not helpful at all	02	02
How has MFIs impacted your life?	Positively	74	74
	Negatively	26	26

Moreover, the study cross tabulated women's' characteristics with their perceptions of MFI to find how variations in age, household size, education level and experience in IGAs can have a different outlook on MFIs. The analysis revealed that age of respondents, their educational level, the number of children they have and experience in IGAs are major determinants of their views, perception and satisfaction of the micro credit scheme and by implication the nature of impact the loan has on them.

Although there are four age groups identified by this study, a researcher categorises them in two categories: young women aged between 26-45 years and old women aged 46 years and above. On question of how often women access loans for business venture, there was a significant difference between the views of younger and older women. The findings show that 94% (n=79) of young women access loans occasionally while 44% (n=07) of older women did access occasionally. On the other hand, 56% of older women accessed loans frequently while only six percent of younger women accessed loans frequently. The vast experience in business could have been the factor why older women accessed loans so frequently (Bwamwojo, 2013; Kanoni, 2015). The fact here is with experienced old women were able to take loan and repay as a result they were able to take loans frequently. This was confirmed during KIIs with MFI officials. Furthermore, Roy (2014) and Ugiagbe (2014) established similar results.

Table 4.6: Cross Tabulation of age with women perception toward MFIs

Question	Response	Age groups			
		26-45		46+	
		Frequency	Percentage	Frequency	Percentage
How often do you access loan?	Occasionally	79	94.0	07	44.0
	Frequently	05	06.0	09	56.0
Total		84	100.0	16	100.0
Are MFIs there to help?	Yes	73	86.91	15	93.75
	No	11	13.09	01	06.25
Total		84	100.0	16	100.0
Are MFIs helpful to you?	Yes	62	73.81	12	75.0
	No	22	26.19	04	25.0
Total		84	100.0	16	100.0
How has MFIs impacted your life?	Positive	62	73.81	12	75.0
	Negative	22	26.19	04	25.0
Total		84	100.0	16	100.0

Moreover, on the question of whether micro finance institutions are there to help, there was no significant difference between the views of the younger and older women. For example 73 (87.00%) of younger women said Yes that MFIs are there to help, while 15 (93.75%) of older women also said Yes to the question of whether MFIs are there to help. Similarly, De Goey (2012) and Roy (2014), found out that women perception about microfinance is good as they see MFIs as their engine out of poverty and oppression. He further pointed out that microfinance plays significant role in women's life. The study also covers the perception of females which is extremely contrary to males in terms of "in what ways microfinance helps them. On the contrary, 11 (13%) of younger women said that MFI are not there to help at all, while 01 (06.25%) of older respondents also said that MFIs are not there to help at all. A look at the chi square value ($\chi^2 = (N = 450, df = 1) = .053, PC .453$), shows that the perception of the respondents on the questions of whether MFI are not there to help was not affected by their age or experiences in life.

In addition to that, there is again no significant difference between young and old women on the question about whether the MFIs are helpful and how they have impacted their lives. The results of this study shows that 73.80% of younger women and 75.00% of older women agreed that MFIs are helpful to them and they impacted positively in their lives. Equally, 26.20% of younger women and 25.00% of older women said that MFIs are not helpful to them and have impacted negatively in their lives. Chi square value attest to this ($\chi^2 = (N = 450, df = 1) = .193, PC .365$). also, Long (2009) found that the community in Yaoundé Cameroon has positive attitude toward MFIs as the tool to lift poor from hopeless situation. Responding to these perceptions MFIs extend their services and increases the depth of their outreach to the poorer, similar results were found by Roy (2014) and Gilal, (2011). Moreover, De Goey (2012) conducted a study in Dar es Salaam, Tanzania and found that the group loans to women contributed to positive changes in the well-being of women.

It has earlier been said that a business woman with more than six years experience is far better in handling business activities and is likely to work efficiently than a newly business woman. That means perception toward MFI of a respondent who is new in business engagements can be different from a respondent with more experience. However, contrary to view that more experienced women tend to positively tilt their views in favour of the micro credit scheme, this study found that 90.90% and 84.70% of women with less than five years experience and women more than six years experience have been occasionally (less than or equal to two

times) accessed loans respectively. However, there is a significant difference between women with less than six years experience and women with more than six years experience about the question of whether MFIs are there to help. Findings shows that 96.15% (n=75) of women with more than six years experience said that MFIs are there to help as contrasted by 59% (n=13) of women with less than six years experience in IGAs. Also, Roy (2014), Ugiagbe (2014), Gilal, (2011) and Long (2009) found similar results.

Table 4.7: Cross Tabulation of Experience in IGAs with Women Perception toward MFIs

Question	Response	Business experience			
		≤05 years		≥06 years	
		Frequency	Percentage	Frequency	Percentage
How often do you access loan?	Occasionally	20	90.90	66	84.70
	Frequently	02	09.10	12	15.30
Total		22	100.0	78	100.0
Are MFIs there to help?	Yes	13	59.0	74	94.87
	No	09	41.0	04	05.13
Total		22	100.0	78	100.0
Are MFIs helpful to you?	Yes	13	59.0	75	96.15
	No	09	41.0	03	03.85
Total		22	100.0	78	100.0
How has MFIs impacted your life?	Positive	12	54.55	76	97.44
	Negative	10	45.45	02	02.56
Total		22	100.0	78	100.0

Again, on the question about how MFIs have impacted their lives, 97.44% of women with more than six years said that MFIs have positively impacted their lives while only 54.55% of women with less than six years experience did the same. Similarly, 45.45% of women with less than six years experience claimed that MFIs have impacted their lives in a negative way as contrasted by 02.56% of women with more than six years.

In case of household size and women perception toward MFIs, the cross tabulation shows that respondents with 0 – 3 children 77.65% (n=66) said the loan positively impacted their lives while of all respondents with 4 children and above still only 93.33% (n=14) said the loan has not positively impacted their lives. The reason for this may as a result of burden of sponsoring the four or more children in school coupled with other sundry expenses on food, housing, health and clothing amongst others may have given their businesses and financial standing a serious beating and a negative impact. While the burden of caring for large family seems to negatively affect the impact the loan has on their lives but they accessed loans frequently. For example when only 07.70% (n=04) of women with 0-3 children accessed loans frequently, 73.33% of women with more than four children accessed loans very frequently. The chi square values of the analysis attest to this ($\chi^2 = (N = 450, df = 1) = 5.527, PC .013$). This value shows that there is a significant difference between the women with three or less children and women with more than four children.

Table 4.8: Cross Tabulation of Household Size with Women Perception toward MFIs

Question	Response	Household size (Number of children)			
		0-3		4+	
		Frequency	Percentage	Frequency	Percentage
How often do you access loan?	Occasionally	81	95.30	04	26.67
	Frequently	04	04.70	11	73.33
Total		85	100.0	15	100.0
Are MFIs there to help?	Yes	72	84.71	03	20
	No	13	15.29	12	80
Total		85	100.0	15	100.0
Are MFIs helpful to you?	Yes	73	85.88	03	20
	No	12	14.12	12	80
Total		85	100.0	15	100.0
How has MFIs impacted your life?	Positive	66	77.65	01	93.33
	Negative	19	22.35	14	06.67
Total		85	100.0	15	100.0

Moreover, there was also a cross tabulation of the level of education against women perceptions. Analysis of the women's view whether MFI are there to help shows that 31 (86.11%) of the respondents with primary education said yes. Similarly, women with ordinary secondary education 88.24% (n=31), advanced secondary education 84.62% (n=11), Diploma and or Certificate 81.82% (n=09) and University education 100% (n=06) said yes that MFIs are there to help them. On the question of whether MFI has positively or negatively impacted their lives, 26 (72.22%) and 26 (76.47%) of women with primary and ordinary level secondary education said that MFIs have impacted their lives positively. Moreover, 69.23% (n=09) of women with advanced secondary education and 63.64% (n=07) of women with a diploma and or certificate agreed that MFIs has been helpful to their lives. For women with university education, all 100% (n=06) said that MFI have positive impact in their lives. This shows that levels of education have no significant difference in the perception of the respondents. Chi square value of analysis attests to this $\chi^2 = (N = 450, df = 1) = 10.675, PC .001$.

Table 4.9: Cross Tabulation of Education Level with Women Perception toward MFIs

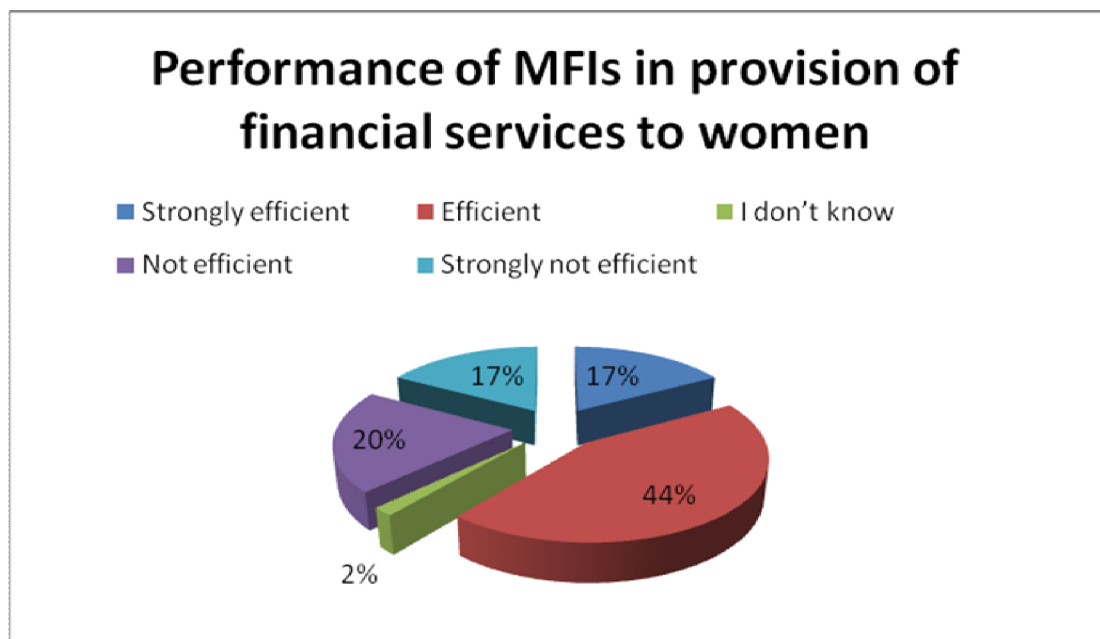
Question	Response	Education Level				
		Primary	O-Level	A-Level	Dip/Certif	Degree
How often do you access loan?	Occasionally	34(94.44%)	31(88.24%)	09(69.23%)	07(63.64%)	05(83.33%)
	Frequently	02(05.56%)	03(11.76%)	04(30.77%)	04(36.36%)	01(16.67%)
Total		36 (100.0%)	34 (100.0%)	13(100.0%)	11 (100.0%)	06(100.0%)
Are MFIs there to help?	Yes	31(86.11%)	31(88.24%)	11(84.62%)	09(81.82%)	06(100.0%)
	No	05(15.89%)	03(11.76%)	02(15.38%)	02(18.18%)	00(00.0%)
Total		36 (100.0%)	34 (100.0%)	13 100.0%)	11 (100.0%)	06(100.0%)
Are MFIs helpful to you?	Yes	26(72.22%)	31(88.24%)	09(69.23%)	09(81.82%)	06(100.0%)
	No	10(17.78%)	03(11.76%)	04(30.77%)	02(18.18%)	00(00.0%)
Total		36 (100.0%)	34 (100.0%)	13(100.0%)	11 (100.0%)	06(100.0%)
How has MFIs impacted your life?	Positive	26(72.22%)	26(76.47%)	09 (69.23%)	07(63.64%)	06(100.0%)
	Negative	10(17.78%)	08(23.53%)	04(30.77%)	04(36.36%)	00 (00.0%)
Total		36 (100.0%)	34 (100.0%)	13(100.0%)	11 (100.0%)	06(100.0%)

In general, the analysis revealed that age of respondents, their educational status, the number of times they have accessed the loans for business ventures and the number of their children are major determinants of their views perception and satisfaction of the micro credit scheme and by implication the nature of impact the loan has on them. Experience matters a lot here as evidence by the older respondents and those have accessed the loan more than twice all tend to positively tilt their views in favor of the micro credit scheme. While the burden of caring for large family seems to negatively affect the impact the loan has on their lives

4.4 Performance of MFIs in Provision of Financial Services to Women

The efficient performance of MFIs has been discussed for years. Recently, due to rapid growth of financial markets and financial innovations, it has become more important to measure the efficiency of micro financial institutions. If the micro financial institutions operate more efficiently, they might expect an improved profitability and a greater amount of intermediated funds to loan the poor. Women were further asked to give their perception on the performance of bonafide MFIs in providing financial services. In the analysis of the ability of MFIs to providing financial services, the researcher used five points scale which ranged from strongly efficient, efficient and I don't know, not efficient and strongly not efficient to deduce the performance of bonafide MFIs.

Figure 4.4: Performance of MFIs in provision of financial services to women at Chamwino



Results indicated that the majority of women 52.00% (n=52) perceived the financial services provided by bonafide MFIs are efficient and 02.00% (n=02) of women said MFIs are strongly efficient in the provision of financial services (see Figure 4.3). But also, about 24% (n=24) of women perceived that bonafide MFIs are not efficient in provision of financial service and 02% (n=02) of women said MFIs are strongly inefficient in provision of financial services. These findings are in line with Rweyemamu (2003) and Kessy and Urrio (2006) who found that the bonafide MFIs in Tanzania are the fastest growing financial institutions (FIs) and the best in industry as they reach the very poor and help them out of extreme poverty. In the contrary, in 2008, Chijoriga found that MFIs in Tanzania are not efficient enough to lift the poor.

In terms of MFIs outreach, the study found that 61% (n=61) of women said that the outreach of bonafide MFIs broad covering larger part of Chamwino district. They advocated that MFIs outreach is high. On the contrary, 39% (n=39) of women acknowledged that MFIs outreach in terms of geographical coverage in Chamwino is thin to very thin. However, the outreach based on its depth was found to be very low as MFIs reach the poor but not the vulnerable poor.

Table 4.10: Breadth and Depth of Outreach of Bonafide MFIs

Breadth	Frequency	Percentage	Depth	Frequency	Percentage
Very broad	00	00%	Very deep	00	00%
Broad	61	61%	Deep	18	18%
I don't know	00	00%	I don't know	00	00%
Thin	30	30%	Shallow	78	78%
Very thin	09	09%	Very shallow	04	04%

In additional to that, among all surveyed women in Chamwino district 78% (n=78) said that the depth of bonafide MFIs is still shallow in Chamwino district. Consequently, Amin et al., (2003) found similar results that while microcredit is successful in reaching the poor, it is less successful in reaching the vulnerable, especially the group most prone to destitution 'the vulnerable poor'. Also, Chijoriga (2008) ascertained that, the overall performance of MFIs in Tanzania is poor and

majority operate in urban areas and very few in the rural areas and are dominated by men.

Regarding the efficiency of provision of loans to women, 45% (n=45) of women said that bonafide MFIs were efficient while 06% (n=06) said that MFI are very efficient in provision of loans. That means 51% of women agrees that MFIs are efficient in offering loans to women. On the other hand, 38% (n=38) and 10% (n=10) of women confirm that MFIs are inefficient and very inefficient respectively. These finding are in line with the findings of Amin et al., (2003), Chijoriga (2008) and Owusu et al., (2013).

Table 4.11: Women’s Perception of Efficiency of MFIs on Loan Provisions

Opinion	Frequency	Percentage
Very efficient	06	06%
Efficient	45	45%
I don’t know	00	00%
Inefficient	38	38%
Very in-efficient	10	10%
Total	100	100%

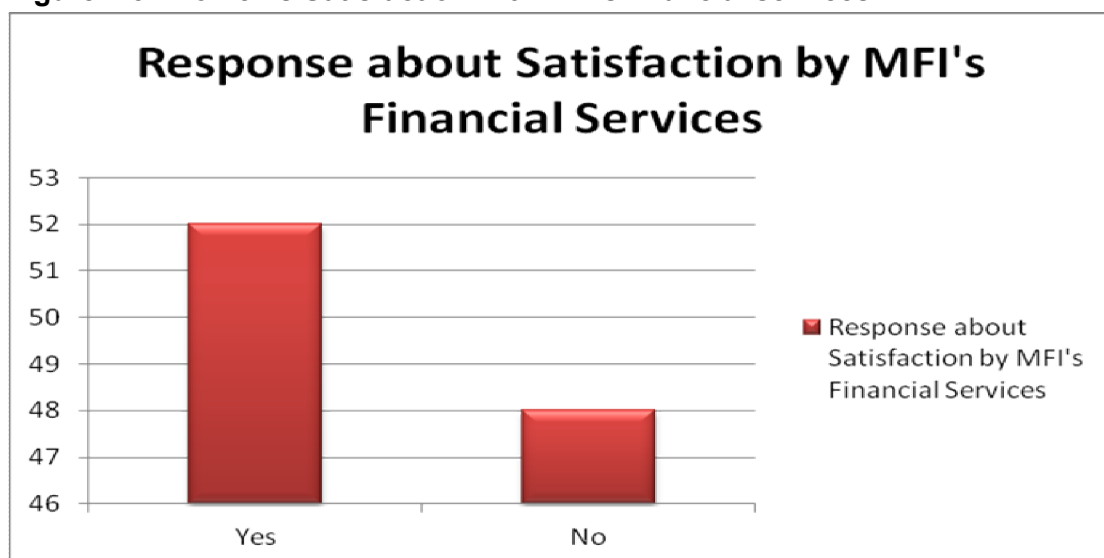
Concerning the time used in the process of getting loans from MFI, the study found that, 60.00% (n=60) of women said that loan processing take 10–20 days, 16% (n=16) said it takes 21 – 30 days, 14% (n=14) said it takes 30+ days. It was evidenced that for women to secure loans from the bonafide MFIs, one has to wait at least for 20 days. This time was probably too long thus requiring reducing bureaucracy (procedures) in securing loans. However, experiences from other MFIs in the country indicate that the average period for one to secure a loan does not exceed 2 weeks (Chijoriga, 2008; Ledgerwood, 2009).

Table 4.12: Time Taken by Women to Process a Loan from Bonafide MFIs

Days	Frequency	Percentage
10-20	64	64%
21-30	20	20%
30+	16	16%
Total	100	100%

Customer satisfaction is among the best measures of firm's performance and has widely used to gauge the performance of firms worldwide. This study investigated if women in Chamwino are satisfied with bonafide MFI's financial services extended to them. The analysis of women's response shows that 56% of women were satisfied with the services while 44% of women were not. In general speaking, women in Chamwino were little satisfied with the services of bonafide MFIs. Figure 4.5 shows the distribution of women on the question of whether they were satisfied by MFIs financial services.

Figure 4.5: Women's Satisfaction with MFI's financial services



4.5 The Influence of MFIs to Reduction of Income Poverty among Women

The impact of microfinance on household welfare was estimated using econometric (regression) model below and the econometric results are presented in table 4.13. The F-statistic which measures the overall significance of the estimated parameters is statistically significant (Prob>F = 0.0000), which implies that the estimated parameters are not jointly equal to zero, hence it is a good model. The R-squared of 0.4002 and adjusted R-squared of 0.3649 are consistent with cross-sectional data.

$$Y = \delta_0 + \alpha X_1 + \alpha X_2 + \alpha X_3 + \beta Z_1 + \beta Z_2 + \lambda MF_p + \mu$$

Where:

Y = income of a woman, which is the dependent variable used as a proxy for household welfare.

X₁ = education level

X₂ = age

X₃ = employment

Z_1 = vector of household size

Z_2 = value of household assets

MF_p = microfinance performance (1 if efficient and otherwise 0)

μ = error term (assumed to be normally distributed with mean=0 and variance=1)

$\delta, \alpha, \beta, \lambda$ = vector of parameters/parameters estimates

After data analysis the equation was:

$$Y = 6.4546 - 0.0202Z_1 - 0.0829Dr + 0.0649Z_2 + 0.7340X_1 + 0.0414X_2 + 0.6609X_3 - 0.0836MF_p + 10.98$$

As earlier stated, the main objective of the study was to determine the impact of microfinance on income of women in Chamwino district. Women's income was used as a proxy for household welfare and was the dependent variable. Microfinance performance was captured as a dummy (=1 for efficiency, 0 = inefficiency). Empirical results suggest that microfinance performance has no significant effect on women's income, which result is consistent with De Goey (2012); Nkya, 2006); Okurut and Bategeka (2006); Maleko et al. (2013); Banerjee et al (2013); Coleman (1999) and Mushi (2004).

Table 4.13: Econometric Results on Contribution of Microfinance on Household Welfare

Dependent Variable: Women Income				
Independent Variables	Coefficient	t-value	p-value	Significance level
Household size	-0.0202	0.11	0.913	
Dependence ratio	-0.0829	0.56	0.576	
Education level	0.7340	3.79	0.000	0.01
Household assets	0.0649	3.17	0.002	0.01
Age in years	0.0414	0.09	0.927	
Microfinance performance: dummy	-0.0836	0.49	0.627	
Paid employment	0.6609	2.78	0.006	0.01
Constant	6.4546	3.5	0.002	0.01
Number of observation	100			
F (5,95)	10.98			
Prob>F	0.0000			
R –squared	0.4002			
Adjusted R- squared	0.3649			

The partial correlation of women income and microfinance performance adjusting for the effects respondent individual characteristics and household characteristics was estimated and the results suggest that it was statistically insignificant with p-value = 0.8669 (see table 4.14). The partial correlation results are consistent with the regression model results which suggest that microfinance performance has no significant effect on women's income.

The insignificance of the coefficient of the microfinance dummy may be accounted for by the terms of microfinance in Tanzania. As earlier pointed out, microfinance institutions charge very high interest rates ranging from 15% - 25% per month. The loan amounts are also small on average and are used mainly for consumption smoothing as opposed to productive investment that can lead to substantial increases in income flows to the households. These high interest rates on microfinance loans have the potential of creating a vicious cycle of debt among the borrowers, especially in the event that they are conditioned to borrow more loans to pay off loans, hence may lead to worsening of women income and hence household welfare.

Therefore, these results call for a regulatory framework for interest rates charged by microfinance institutions so as to enhance women and household welfare. These results are in sharp contrast to Okurut et al (2013); Nichols (2004 and Gedion et al. (2015) who in their study reported that microfinance had a positive and significant effect on women income and hence welfare.

Table 4.14: Partial Correlation of Total women's Income and Access to Microloans

Variable	Partial correlation	Semi partial correlation	Partial correlation squared	Semi partial correlation squared	p-value
Household size	0.0527	0.0491	0.0028	0.0024	0.5221
Microfinance performance	0.0138	0.0128	0.0002	0.0002	0.8669
Dependence ratio	-0.0990	-0.0927	0.0098	0.0086	0.2280
Education level	0.0676	0.0631	0.0046	0.0040	0.4111
Married	0.0709	0.0662	0.0050	0.0044	0.3884
Cohabiting	-0.1464	-0.1378	0.0214	0.0190	0.0738
Separated	-0.0189	-0.0176	0.0004	0.0003	0.8183
Divorced	-0.0289	-0.0270	0.0008	0.0007	0.7252
Household assets	0.1920	0.1822	0.0369	0.0332	0.0186
Age	-0.1027	-0.0961	0.0105	0.0092	0.2110
Paid employment	0.1045	0.0979	0.0109	0.0096	0.2029
Type of business	-0.0077	-0.0071	0.0001	0.0001	0.9259

Education level has a positive and significant effect on income of women (at 1 percent level). This result is consistent with expectations because education enhances human capital development which increases its productivity, thereby increasing the income earning potential which increases women welfare. Also, Ifelunini and Wosowei (2012) found education level has positive impact on per capita income and expenditure of the poor. Therefore, the current government policy initiatives of improving the quality of education must go a long way in enhancing women welfare. Being in paid employment in either the public or private sector has a positive and significant effect on income of women (at 1 percent significance level). The policy implication of this result is that continuous creation of employment opportunities in the public and private sectors is very critical in improving women's welfare.

The current government policy initiatives of diversifying the economy away from the diamond sector and providing an enabling environment for private sector growth are in the right direction of creating more employment opportunities. Possessions of assets have a positive and significant effect on women income (at 1 percent significance level). The findings are in line with what Mosley (1999) found. The intuition is that women’s assets can boost the productivity of the women, hence lead to increased women’s income. In addition, the creditworthiness of the women is enhanced by possession of assets which increases their likelihood to borrow more for productive investment.

4.6 Women’s Accessibility and Challenges toward Micro Finance

In assessing the accessibility of women to MFIs financial services, the study respondents said that loan availability is medium. Among the surveyed women 66% (n=66) pointed out that loan availability is medium while 34% (n=34) of women said that loan availability is low. No one said loan availability is very low neither is highly available. These findings corroborate with the findings by Malamsha and Kimaro (2014) that access to external finance is critical for women, who may never have funds proportional to their ambitions and they also lack collateral, good reference, ability to repay the loan and insufficient income.

Table 4.15: Women’s Accessibility to Microfinance (micro-loans)

Are micro loans available to you?	Frequency	Percentage
i. Highly accessible	00	00.0%
ii. Medium accessible	66	66.0%
iii. I don’t know	00	00.0%
iv. Less accessible	34	34.9%
v. Very less accessible	00	00.0%
Total	100	100.0%

Also, Denanyoh et al. (2013) examined challenges faced by women entrepreneurs in accessing micro finance in Ghana and results confirmed that women entrepreneurs in Kumasi and Sunyani markets are faced with a lot of challenges in accessing loans from MFIs. According to Gedion et al. (2015) Malamsha and Kimaro (2014); Kato and Kratzer (2013) Rweyemamu et al. (2003), the challenges women face such that long procedures involved in application and long processing, delay in loan disbursement, requirement that a member must have accumulated

savings, lack of security/ collateral, requirement that one must be a member of a group first, and high cost of acquiring loan.

The study shows that a long procedure in application and processing of loan is among challenges facing women. About 56% (n=56) of all surveyed women said that they have to go through a lengthy procedure in order to access loan. Also, lack of collaterals was mentioned by 72% (n=72) as the leading challenge facing women in accessing loans. The lack of collateral is difficult to be met in obtaining loan. Among the conditions is that of possession of immovable assets and households valuables. It was mentioned that, for a client to obtain loan of a given amount they should have assets that are immovable and that can be easily sold out so as to recover the debts in case of customer's default. Another big challenge mentioned by 78% (n=78) of women in accessing loan was found to be membership to women groups registered by a MFIs.

The next problem was high interest rates as mentioned by 63% (n=63) of women. Most of MFIs charged higher rate of interest for the amount of loans they acquired. During the survey it was discovered that MFIs charge an interest rate of about 12% to 36% per month. Moreover, the study found that 65% (n=65) of women acknowledged that delays in loan provision was also a big challenge in accessing loans. During the survey it was found that for women to secure loans one has to wait at least for three weeks. This time was considered too long by women thus requiring reducing the bureaucracy in securing loans. In addition to that, 45% (n=45) of women said that accumulation of savings in MFIs is also a challenge. Before a woman is given loan she must first accumulate some amount of money to the MFI in order to be eligible. Given poor financial situation of women this requirement was found to impede women's access to microcredit.

Furthermore, the results of a cross tabulation between accessibility of micro loan to women and their business experience illustrate that the two variables are not independent. The findings show that 30.30% of women with 6-10 years experience in business activities said that loan is accessible to them. Also, 46.97% (n=31) and 16.67% (n=11) of women with 11-20 years business experience said loan is available to them. On the other hand, 52.94% (n=18) and 44.12% (n=15) of women with 1-5 years and 6-10 years experience said that micro loan to women is less available respectively. Correspondingly, the p-value Chi-square was 0.000 at 95 Confidence Level which, indicates that these variables are not independent of each

other and that there is a statistical significant relationship between the accessibility of micro loan to women and their business experience. So, as business experience increases their chance to access micro loan also increases. The likelihood ratio is also significant at 95% confidence level with p-value 0.000.

Table 4.16: Cross Tabulation between Accessibility to Microloan and Business Experience

Accessibility to Micro Credit	What is your experience in business?					Total
		1-5 Years	6-10 Years	11-20 Years	21+ Years	
Highly available	Count	00	00	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%	00.0%	00.0%
Available	Count	04	20	31	11	66
	% within Accessibility to microloan	06.06%	30.30%	46.97%	16.67%	100.0%
I don't know	Count	00	00	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%	00.0%	00.0%
Less available	Count	18	15	01	00	34
	% within Accessibility to microloan	52.94%	44.12%	02.94%	00.0%	34.0%
Very less available	Count	00	00	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%	00.0%	00.0%
Total	Count	22	35	32	11	100
	% within Accessibility to microloan	22.0%	35.0%	32.0%	11.0%	100.0%

In addition to that, women accessibility to microloan was again cross tabulated against marital status. The study found that 93.93% (n=62) of married women agreed that micro loan is available to them while only 06.07% (n=04) of unmarried women did the same. This fact is in line with the results found by Ablorh (2011) who affirmed that married entrepreneurs in small enterprises take the greater share since many MFIs operators believe lending to unmarried entrepreneurs could be risky. The event of marriage could lead to change of locality or profession, and a possibility of default". This being the case, the study revealed that more than fifty percent of women (55.88%) said that micro loan service is less available to them. The Chi-square test found p-value to be 0.017 at 95 confidence level which indicate that these variables are not independent of each other and that there is a statistically significant relationship between the variables. The likelihood ratio is also significant at 95% confidence level with p-value 0.016.

Table 4.17: Cross Tabulation between Accessibility to Microloan and Marital Status

Accessibility to Micro Credit	Marital status			Total
		Married	Not married	
Highly available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Available	Count	62	04	66
	% within Accessibility to microloan	93.93%	06.07%	100.0%
I don't know	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Less available	Count	15	19	34
	% within Accessibility to microloan	44.12%	55.88%	100.0%
Very less available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Total	Count	77	23	100
	% within Accessibility to microloan	77.0%	23.0%	100.0%

Paid employment of an individual reflect the way an individual socializes in a particular fashion which in turn reflects the pattern of behaviours and level of understanding of particular phenomenon (Bee, 2007). In other words the person's response to a problem is possible determined by the type of occupation an individual is engaged in and that's why variable paid employment was investigated in this study. So, the cross tabulation between accessibility to microloan and being in paid employment found that 54.54% (n=36) of women who are in paid employment and 45.46% (n=30) who are not in paid employment agreed that micro loan is available to them. However, 94.12% (n=32) of women who are in paid employment and 05.88% (n=02) who are not in paid employment agreed that micro loan is less available to them. The Chi-square test found p-value to be 0.067 at 95 confidence level which indicate that these variables are independent of each other and that there is a statistically insignificant relationship between the variables. The likelihood ratio is also significant at 95% confidence level with p-value 0.066. Literally, being in paid employment doesn't guarantee access to micro loan. Both who are in paid employments and who are not having equal chance.

Table 4.18: Cross Tabulation between Accessibility to Microloan and Employment Status

Accessibility to Micro Credit	Employment status?			Total
		In paid employment	Not in paid employed	
Highly available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Available	Count	36	30	66
	% within Accessibility to microloan	54.54%	45.46%	100.0%
I don't know	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Less available	Count	02	32	34
	% within Accessibility to microloan	05.88%	94.12%	100.0%
Very less available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Total	Count	38	23	100
	% within Accessibility to microloan	38.0%	23.0%	100.0%

Business size of women businesses were considered in this study to determine their ability to take and repay loan as well as their access to loan. Usually, medium sized firms are more likely to be given a loan than a small firm. Therefore, women were asked to mention the size of enterprises they were running. The cross tabulation between accessibility to microloan and business size found that 57.58% (n=38) of women who are in small business and 42.42% (n=28) who are in medium sized business agreed that micro loan is available. However, 85.29% (n=29) of women who are in small businesses and 14.71% (n=05) who are in medium businesses agreed that micro loan is less available to them. The Chi-square test found p-value to be 0.038 at 95 confidence level which indicate that these variables are not independent of each other and that there is a statistically significant relationship between the variables. The likelihood ratio is also significant at 95% confidence level with p-value 0.036. So, access to micro loan depends on the size of the business.

Table 4.19: Cross Tabulation between Accessibility to Microloan and Business Size

Accessibility to Micro Credit	Size of the business			Total
		Small size	Medium size	
Highly available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Available	Count	38	28	66
	% within Accessibility to microloan	57.58%	42.42%	100.0%
I don't know	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Less available	Count	29	05	34
	% within Accessibility to microloan	85.29%	14.71%	100.0%
Very less available	Count	00	00	00
	% within Accessibility to microloan	00.0%	00.0%	00.0%
Total	Count	67	33	100
	% within Accessibility to microloan	67.0%	33.0%	100.0%

Table 4.20: Women’s Challenges in Accessing MFIs Loans

What are the challenges in accessing a loan from the MFIs	Frequency	Percentage
Long procedures in application and processing of loan	65	65
Accumulation of savings in MFIs	45	45
Membership to women groups registered by a MFI	78	78
Lack of physical collaterals	72	72
High interest rates	63	63
Lack of borrowing skills	49	49
Delays in loan provision	65	65
Small amount of loan to poor	68	68
Licensing and tax	59	59
Market competition	53	53
Lack of entrepreneurial skills	47	47
Rental charges	26	26
Improper use of loan	56	56

Moreover, the results indicated that licensing and tax were mentioned by 59% (n=59) of women as one among the major challenges facing women in an attempt to access loan from MFIs. Licensing and tax problem may be due to bureaucratic procedural and cost involved in processing, license tax and renewing license, a reason to why some entrepreneurs tend to avoid/evade payment of taxes and/or business registration/licensing. It is a challenge to government authority concerned with provision of licenses to revisit rules and regulations to cope with trade and economic liberalization.

In case of market competition, the results show that 53% (n=53) of women experienced the stiff market competition. The high market competition is probably attributed to the fact that, many women engage themselves in these enterprises to earn income that will assist to improve their livelihood and so most of them tend to imitate what others are doing instead of discovering new ways of doing their businesses or creating/opting for other lines of business. This situation tends to increase operational costs and hence reducing profit.

Approximately about 47% (n=47) of women said that, lack of entrepreneurship skills was also a major hindrance to the access of loan from MFIs. Moreover, about 30% of all respondents reported it is difficult for them to go for training because they don't have time as they are the managers/runner of their own enterprises and so going for training would mean a temporally closure of their business, something they are not ready to do. As a result they lack the necessary entrepreneurship skills to run their enterprises especially financial management. Also, women reported that, they can't afford their business training because they have a lot of family responsibility.

Consequently, about 56% (n=56) of respondents said lack of proper use of loans is also a challenge while 26% (n=26) lamented that the rental charges are also major problems to client's businesses. The rental charges where the business enterprises are located was high, a problem which results into reduced income to the enterprise.

4.7 Chapter Summary of main findings

All women were divided into four age groups, about 84.0% (n=84) were between 26-45 years. The minimum age was 26 and the maximum age was 58 years. The mean age was 36 years. In case of business experience, the study is in line with entrepreneurship readiness curve as it found that 67.00% (n=67) of women at Chamwino district have experiences of six to 20 years. Among the women, 77.00% (n=77) were married while 23.00% (n=23) were not married. Moreover, as for education, the majority about 36.00% (n=36) and 34.00% (n=34) of women had primary and ordinary level secondary education which signifies a 38.00% (n=38) in paid employed while 62.00% (n=62) were not in paid employed. This implies that the majority of clients involved are still economically active. The study also show that majority which is 76.00%; (n=76) of women were in small scale category who had loans ranging between 100,000 TZS to 1 million TZS and a small proportion 24.00% (n=24) possessed f medium size businesses with loans above 1.00 million TZS but not more than 5.00 million.

In addition to that, the study found that the women who accessed loans were involved in different economic activities and the main ones included crop and food selling, cosmetics, stationary garments, bar and restaurants, whole sales, construction and manufacturing and were in small and medium scale business category.

Also, the results show that majority of respondents were satisfied with loan services they receive from MFIs although the three weeks time taken to process loans have been noted to be too long. In addition to that, it has been found that MFIs performance does not influence income of women. Lastly but not the least, the study shows that women face a lot of challenges to secure loans from FIs. Some of the challenges are collateral, delay of loan due to bureaucratic procedures, competition and high interest rate of loan.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Chapter Overview

This chapter presents a summary of the study, the major findings, conclusions and pertinent recommendations with the respect to the main findings of the study.

5.2 Summary of the Study

The major purpose of this study was to assess the impacts of bonafide MFIs in reducing income poverty among women of Chamwino District in Dodoma, Tanzania. The study revealed that surveyed women were involved in different economic activities such as crop selling, food, cosmetics, stationary, garments, bar and restaurants. Also, majority of women were in small scale businesses. In general the cross tabulation of women characteristics and their perception toward MFIs reveal weak significant difference between women personal characteristics and their perception. These difference lies on the differences in their age, experience in business, household (family) size, business size and education level. Also the study found that MFIs re efficient in provision of financial services in terms of their breadth and depth of outreach. In general, women are satisfied with loan services (efficiency) they receive despite the fact that loan processing takes too long.

Essentially, the empirical results of the study suggest that the MFIs efficiency has no significant effect on women's income. On the contrary, educational level of women, possession of assets and being in a paid employment were seen to have positive ad significant effect on women's income. Moreover, the study found that MFIs services to women are fairly available due to many challenges facing them. Interest rate, collateral, delays in provision of loan, small amount of loans and licensing and tax were found to be major constraints in access to loan.

5.3 Conclusion

The study concludes that, although loan provided by MFIs do not enables women to increase their income, it improves their livelihood and help them out of extreme poverty. Hence, MFIs have contributed in reducing women poverty in other dimensions rather than income poverty.

5.4 Recommendations

The age of most respondents is supported by Women Entrepreneurships Development Program. It should be taken by financial institutions to tap this profitable segment with products and services tailored to the needs of women-owned. However, financial institutions will need to adapt due to a number of reasons.

First, women entrepreneurs are predominantly in the services sector, while the majority of credit extended by banks has historically been to manufacturing based enterprises. Second, banks rely heavily on collateral to give credit, which is a constraint for women-owned services enterprises. Third, there is also a need to address some of the more obvious barriers that prevent women entrepreneurs from approaching financial institutions, such as a lack of women relationship managers and the need for support from a male family member to access credit. Finally, financial institutions should consider options such as advisory desks at selected bank branches to offer information on products and services tailored to women-owned enterprises.

The policy implication of this situation is that, development interventions like the Women Entrepreneurships Development Program should devise strategies for enabling younger people to participate. Such strategies could include; finding out factors that prevent younger people from participating and attempting to address the contribution of loans obtained by women in developing their Medium and small enterprises. Similarly, the findings on Women Entrepreneurships Development Program-supported women by education, post educational training, and work before food processing as well as their husbands' social status revealed that the program was more accessible to women in urban areas and with a higher social status. The policy implication here is that there is a need for similar development interventions to be more inclusive. One way of doing this is to offer the same training at lower fee considered affordable by ordinary people who are in need.

Wide publicity of the training through SIDO's national network could help to ensure that the information reaches as many people as possible. With regard to constraints to women's empowerment by-Women Entrepreneurships Development Program supported women; the recommended policy implication is two-fold. First, there is a need to sensitize women to shed the dependence syndrome and be more willing to bear the costs of further training. Second, since it is already known that women lack

capital, there is a need for the program to come up with a facility to enable women to construct independent production units as required by the regulating authorities. Such a facility need not be completely free because that is anti-entrepreneurial. Instead, it could be offered on very soft terms to assist in capacity building.

Indeed, based on the policy implication above, the central government and local government should expand branches of Women Development Banks to all Regional Headquarters so that Women entrepreneurs can access soft loan and grants to sustain their business enterprises. Business community should recognize the micro trading informal business sector as an important partner in issues of employment, revenue generation and customer's friendliness. Therefore, a business and policy friendly communication system should be put in place towards a fair trading partnership.

Based on the research findings there is still much to be done for the development of women entrepreneurs since they are still challenges that affect the development of women entrepreneurs in Chamwino district and Dodoma region in general. These recommendations are directed to Tanzanian Government for the development of women entrepreneurs in the country. Expand the market for women entrepreneurs in Tanzania, by increasing the number of trade fairs and provide support for women entrepreneurs to participate in many trade fairs since it is an opportunity for marketing women entrepreneurs' Products.

Increasing trainings and workshop for women entrepreneurs in communication skills, Business plan, ICT use in their activities, trainings related to their type of business, Trainings that will help women entrepreneurs to start and expand their business, management and technical skills. Reduce taxes since it was highlighted as a problem which hinders women entrepreneurs' development. Increase in infrastructure facilities road, water and electricity since it is presented as a challenge for women entrepreneurs. Facilitate women entrepreneurs in getting loans and credit and increase researches and surveys on women entrepreneurs to know their challenges.

Therefore, in general the study recommends the following: first, the need for MFIs to accept less demanding collaterals to give clients more confident in securing loans that will lead to increased per capita income and material assets, and improved women and household livelihood. Secondly, lowering of interest rates charged to

give a women ability to borrow more and more and other people to access on the same service. Thirdly, they need to reduce bureaucracy in loan application to give customers more opportunity to run the business and repay their loans without affecting their businesses. Fourthly, the need for the government authority concerned with provision of licenses and tax assessment to revisit rules and regulations to cope with trade and economic liberalization.

5.5 Areas for Further Research

Further research should be carried out to determine:

- i). The strategies that will make MFIs to be instrumental in alleviating poverty and/or promoting local people social-economic development in Tanzania.
- ii). The extent to which MFIs have supported and facilitated social economic development to their clients in Tanzania.

5.6 Chapter Summary

In conclusion and recommendation, the study has established that, MFIs loans have greater impact to the livelihood of the women as loan boosts their welfare. The researcher has recommended that, there is a need for MFIs to accept less demanding collaterals to give women more confident in securing loans, lowering of interest rates, to reduce bureaucracy in provision of loan and the need for the government authority concerned with provision of licenses and tax assessment to revisit rules and regulations to cope with trade and economic liberalization. Furthermore, the researcher has disclosed the area of the further research: The strategies that will make MFIs to be instrumental in alleviating poverty and/or promoting local people social-economic development in Tanzania.

REFERENCES

- Ablorh W. (2011). *Microfinance and Socio-Economic Empowerment of Women: A Case of Opportunity International Savings and Loans Clients*. Unpublished M. A. Disertation, Kwame Nkrumah University of Science and Technology, Accra-Ghana
- Abuzeid, F. (2009) . Foreign Aid and the "Big Push" Theory: Lessons from Sub-Saharan Africa. *Stanford Journal of International Relations*, Vol. XI, No. 1
- Addae-Korankye, A. (2014). Causes of Poverty in Africa: A Review of Literature. *American International Journal of Social Science*, Vol. 3, No. 7; December 2014
- Agnello, F. and Caramia, I. (2013). *4th European Microfinance Award: Microfinance for Food Security*. Number 6, June 2013
- AGRA-FISFAP (2015): Assessment of Financial Services Landscape for Smallholder Farmers in Ghana, Kenya, and Tanzania: Final Report, 2015
- Ahlén, m. (2012). *Rural Member-Based Microfinance Institutions: A Field Study Assessing the Impacts of SACCOS and VICOBA in Babati District, Tanzania*. Södertörn University, School of Life Sciences
- Amin (2003). "Does microcredit reach the poor and vulnerable?" Evidence from northern Bangladesh, *Journal of Development Economics*, Vol. 70 (1).
- Anyelwisy, B. (2007). *Impact of Microfinance Institutions on Poverty Reduction Among Smallholder Farmers: Case of Selected SACCOS in Dodoma Urban and Kongwa Districts*. A Dissertation Submitted in Partial Fulfilment of the Requirements for the Degree of Master of Science in Agricultural Economics Of Sokoine University of Agriculture. Morogoro, Tanzania
- Arouri, M., Ben Youssef, A., Durairaj, V., Dahmani, M., and Mungomba, N. (2014). *Microfinance: a powerful tool for human development in Africa*, in "One Billion People, One Billion Opportunities" Soucat, A., and Mthuli, N. (eds) (Chapter 26), African Development Bank. Tunis.

- Asayehgn, D. (1979). *The role of women in Tanzania: their access to higher education and participation in labour force*. International Institute for Educational Planning of United Nation Environmental and Science Organisation
- Austin, A.T. (2011). *Asset Dynamics and the Long-Term Impact of Microfinance in Rural Bangladesh*. Thesis Submitted in partial fulfilment of the requirements for the degree of Master of Science in Agricultural and Applied Economics in the Graduate College of the University of Illinois at Urbana-Champaign
- Bali Swain, R. and Wallentin, F. Y. (2007). *Does Microfinance Empower Women? Evidence from Self Help Groups in India*, Working paper 2007:24, Department of Economics, Uppsala University
- Banerjee, A., Duflo, E., Glennerster, R., and Kinnan, C. (2013), "The Miracle of Microfinance? Evidence from a Randomized Evaluation"
- Barr, M. S. (2005). *Microfinance and Financial Development*. The John M. Olin Centre for Law & Economics Working Paper Series, University of Michigan Law School, p. 271
- Bateau, N. (2016). The Impact of microfinance on poverty reduction in Rwanda from 2005-2014: Case of Vison Hope. Being a Research Proposal written in the Department of Economy submitted to the College of Business and Economy in Partial fulfillment of the Bachelor Degree in Economics Science at the University of Rwanda
- Bateman M. and Chang H. (2010) "*The Microfinance Illusion*" <http://www.econ.cam.ac.uk/faculty/chang/pubs/Microfinance.pdf> (Accessed on 3rd February 2017)
- Bee, F. K. (2007) *Rural Financial Markets in Tanzania: An Analysis of Access to Financial Services in Babati District, Manyara Region*. Doctoral Thesis. University of South Africa.
- Bee, F. K. (2007). *Rural Financial Markets in Tanzania: An Analysis of Access to Financial Services in Babati District, Manyara Region*. Submitted in Accordance With the Requirements for the Degree of Doctor of Literature and Philosophy in the Subject Development Studies at the University of South Africa

- Bee, K (2007) *Rural Financial Analysis in Tanzania: Financial services in Babati District, Manyara Region*, Doctoral Thesis, UNISA.
- Bhatt and Shui-Yan, (1998). The Problem of Transaction cost on group-based micro lending: an institutional perspective. *World Development*, vol.32.4, pp. 623-637.
- Blanche, M. T., Durrheim, K. and Painter, D. (2006). *Research in practice: Applied methods for the social sciences*. Juta and Company Ltd.
- Bwamwojo, G.G. (2013). *Member-Based Micro-Finance Institutions and Poverty Reduction: A Case of Chamwino District in Dodoma Region*. A Dissertation Submitted in Partial Fulfillment of the Requirement for the Degree of Master in Business Administration (MBA-Finance) of The Open University of Tanzania
- CGAP -Consultative Group to Assist the Poor (2012e) *What Is a Microfinance Institution (MFI)?* Available: <<http://www.cgap.org/p/site/c/template.rc/1.26.1>
- Clark, V. P. and Creswell, J. W. (2011). Designing and conducting mixed methods research. *vol, 3*, 93-94.
- Coase, Ronald (1960) "The problem of Social cost" *Journal of Law and Economics* 3, p.1-44.
- Cohen, L., Marion, L. and Morrison, K. (2000). *Research Methods in Education, 5th Edition*. Routledge Falmer.
- Coulson, A. (2013). *Tanzania: A Political Economy*. OUP Oxford, 422 pages
- Cresswell, J. (2009). *Research Design: Qualitative, Quantitative and Mixed Method*
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches*: Sage.
- Creswell, J. W., Fetters, M. D. and Lvankova, N. V. (2004). Designing a mixed methods study in primary care. *The Annals of Family Medicine*, 2(1), 7-12.

- De Goey, H. (2012). The Social Impact of Microfinance: What Changes in Well-Being are Perceived by Women Group Borrowers after Obtaining a Group Loan?; *A participatory rural appraisal in Dar es Salaam Region, Tanzania*. Master Thesis E, in Sustainable Development .Uppsala University, Department of Earth Sciences
- Dean, D. (2011). Saving and the microfinance institution portfolio: bridging the gap between the needs of the poor and the capability of the institution. *International Journal of Enterprise Development and Microfinance*, 22(1):118-133.
- Denanyoh, R., Adjei, K. and Owus, E. S. (2013). Challenges Faced by Women Entrepreneurs in Sourcing Micro Finance in Ghana; Evidence from Kumasi and Sunyani Markets. *International Journal of Innovative Research and Development*, Vol 02 No. 03, ISSN 2278 – 0211
- DFS (2007). "Village Saving and Loans Association; Experience from Zanzibar, Financial Sector Development Project (FSDP- Uganda), DFID&DFS, Nairobi-Kenya.
- Diagne, A. and M. Zeller (2001), "Access to Credit and its Impact in Malawi" Research Report No. 116 Washington, D.C., USA: International Food Policy Research Institute (IFPRI).
- Ebimobowei, A., Sophia, J.M. & Wisdom, S. (2012). An analysis of microfinance and poverty reduction in Bayelsa State of Nigeria. *Arabian Journal of Business and Management Review*, 1(7):38-57.
- EEA- Empowerment Enterprises of Africa (2009). *A Business Plan for Starting a Microfinance Institution in Tanzania*". Dar es Salaam, Tanzania.
- Fallavier, P. (1998), "Developing Micro-Finance institutions in Vietnam", Thesis (MSc.), University of British Columbia, Vancouver, Canada, pp. 15-18
- Fatchamp, M. (1997), "Trade Credit in Zimbabwean Manufacturing", *World Development*, 22 Vol. 25, No. 5.
- Fosu, A.K. (2010). Growth, Inequality, and Poverty Reduction in Developing Countries: Recent Global Evidence. *CSAE Working Paper WPS/2011-07*

- Gedion, O., Oyugi, D.M. and Muniyithya, E. W. (2015). Effects of Women Enterprise Fund Loan on Women Entrepreneurs a Survey of Small and Medium Enterprises in Eldoret Town, Kenya. *International Journal of Business and Social Science Vol. 6, No. 12*
- Gerli, B. (2015). *Microfinance and food security IFAD's experiences in empowering rural women*. FondazioneGiordano dell' Amore -Improving Financial Inclusion of Smallholder Farmers. October 15th and 16th, 2015 Milan, Italy
- Girabi, F. and Mwakaje, A.E.G. (2013). Impact of Microfinance on Smallholder Farm Productivity in Tanzania: The Case of Iramba District. *Asian Economic and Financial Review, 2013, 3(2):227-242*
- Grant, W.J., High, C. and Allen, (2002). Successful financial intermediation in Rural Sahel; *an Article for CARE- Nigers Mata MasuDubara (MMD) project*.
- Greene, W. H. (2008). The econometric approach to efficiency analysis. *The measurement of productive efficiency and productivity growth, 92-250*.
- Gujarati, D. (2014). *Econometrics by example*. Palgrave Macmillan.
- Gyamfi, E. A and Ampofo, K. A. (2014). A Study of Effects of Microfinance Credit on Community Farmers in Upper Denkyira East Municipality of Ghana. *Journal of Agriculture and Environmental Sciences, Vol. 3, No. 1, pp. 67-88*
- Haji, Y.H (2013). *The Contribution of Microfinance Institutions to Poverty Reduction at South District in Zanzibar*
- Handley, G., Higgins K., Sharma, B., Bird, K. and Cammack, D. (2009). Poverty and poverty reduction in sub-Saharan Africa: An overview of the issues. Overseas Development Institute, *Working Paper 299*
- Haule, A. L. (2015). *Contribution of Village Community Banks in Household Rice Production: A Case of Morogoro District*. A Dissertation Submitted to the Institute of Development Studies in Partial Fulfilment of the Requirements for award of the Master of Science in Development Policy (MSc. DP) Degree of Mzumbe University.

- Hulme, D. and Mosley, P. (1998). Micro enterprise finance is there any conflict growth and poverty alleviation? *World Development Journal* 26 (5): 783-790.
- ILO, vide International Labour Organisation. (2002). *Jobs, gender and small enterprises in Africa. Preliminary report.* Women entrepreneurs in Tanzania by University of Dar es Salaam, Entrepreneurship Centre. Geneva: International Labour Office.
- Jamal, H. (2008). Exploring the Impact of Microfinance in Pakistan. *Social Policy and Development Centre.* Research Report, 77.
- Kanoni, R.G. (2015). *The Role and Effects of Micro Finance Institutions Loan on Women Micro and Small Enterprises: A Case Study of Women Micro Enterprises in Kigoma, Tanzania.* A Dissertation Submitted in Partial Fulfillment for the Requirements of the Degree of Master of Project Management of the open University of Tanzania
- Kato, M. P. and Kratzer, J. (2013). Empowering Women through Microfinance: Evidence from Tanzania. *ACRN Journal of Entrepreneurship Perspectives* Vol. 2, Issue 1, p. 31-59, Feb. 2013.
- Kihongo, R. M. (2005) *Impact Assessment of Village Community Bank (VICOBA), a Microfinance Project Ukonga Mazizini.* Master's Thesis. The Open University of Tanzania & Southern New Hampshire University.
- Kiiru, J.M.M. (2007). *The Impact of Microfinance on Rural Poor Households' Income and Vulnerability to Poverty: Case Study of Makueni District, Kenya*
- Kothari, C. (2004). *Research Methodology, Methods and Techniques.* New Delhi, Walley Eastern Limited.
- Kothari, C. R. (2012). *Research Methodology and Techniques.* New Age International (P) Limited, New Delhi, India
- Kothari, C.R. (2004). *Research Methodology, Methods and Techniques.* New Delhi: New Age International P Limited.
- Krejcie, R. V., and Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30, 607-610

- Kyessi, A. (2010). Access to housing finance by the urban poor: The case of WAT-SACCOS in Dar es Salaam, Tanzania. *International Journal of Housing Markets and Analysis*, Vol. 3 No. 3, 2010, pp. 182- 202, Emerald Group Publishing Limited
- Kyessi, A. G. (2002). *Community participation in urban infrastructure provision: servicing informal settlements in Dar es Salaam, Tanzania*. University of Dortmund. Faculty of spatial planning. SPRING centre.
- Lacey, A. and Luff, D. (2001). *Qualitative data analysis*. Sheffield: Trent Focus. pp. 320-357.
- Ledgerwood, J. (1999) *Sustainable Banking with the poor: An institutional and Financial Perspective*. Washington, D.C: The World Bank.
- Lin, J. (2016). *Five Dimensions of Poverty*. [<https://www.healthify.us/healthify-insights/five-dimensions-of-poverty> accessed March, 2017
- Long, I. (2009), "Perceptions of Microfinance in Cameroon: A Case Study of UNICS, Yaoundé". *Independent Study Project (ISP) Collection*. Paper 729.
- Lucas, J. and Akarro, R.R.J.(2016). Some Factors Associated with Operations of Village Community Banks (VICOBA) for Poverty Alleviation in Tanzania A Case of Ilala District, Tanzania. *International journal of management and economics Invention*. Volume 2 issue 09 pp 748-758
- Magali, J. J. (2013). Factors Affecting Credit Default Risks for Rural Savings and Credit Cooperative Society (SACCOS) in Tanzania. *European Journal of Business and Mnagement*. Vol.5, No. 32, 2013.
- Mago, M. (2014) The Role Of Microfinance In Right-Based Approach To Food In Africa. *Rjoas*, 5(29)
- Mago, Stephen and Mago, Shamiso (2013). Asset-Building and Microfinance: An Econometric Analysis. *Mediterranean Journal of Social Sciences Vol 4 No 3 September 2013*.
- Malamsha, K.C.T. and Kimaro, M. E. (2014). Women Loan Repayment Rate: Evidence from Selected Microfinance Institutions, Moshi Municipality. *Journal of Co-operative and Business Studies (JCBS)*, Vol. 2, Issue No. 1, ISSN 0856-9037

- Mann, C. J. (2003). Observational research methods. Research design II: cohort, cross sectional and case-control studies. *Emergency Medicine Journal*, 20(1), 54-60.
- Manongi, M. (2013). *Impact of Microfinance Institutions in Development of Textile Industries in Tanzania: The Case of Pride Tanzania*. A Dissertation Submitted in Partial Fulfilment of the Requirement for the Degree of Master of Business Administration of the Open University of Tanzania
- Mayoux, L. (1999). Questioning virtuous spirals: micro-finance and women's empowerment in Africa. *Journal of International Development*, Vol. 11, No. 7, p. 957-984
- Mayoux, L. (2002). Microfinance and women's empowerment: Rethinking 'best practice'. *Development Bulletin*, 57, 76–81
- Mazengo, R. (2011). *Assessment of the Effectiveness and Sustainability of Household Food Insecurity Coping Strategies in Chamwino District Dodoma Region*. A Dissertation Submitted in Partial Fulfilment of the Requirements for The Degree of Master of Science in Agricultural Education and Extension of Sokoine University of Agriculture. Morogoro, Tanzania.
- Mbilinyi, m.j (1972). The state of women in Tanzania. *Canadian journal of African studies*, vol 6, special issue: the roles of African women: past, present and future
- McFerson, HM (2010). Poverty among Women in SSA: A Review of Selected Issues. *Journal of International Women's Studies*. Volume 11, Issue 4
- Mhunzi, O., 2012. *The role of microfinance institutions in poverty alleviation: The case of Dar-es-salaam region, Tanzania*. LAP LAMBERT Academic Publishing. ISBN-10: 3843390657.
- Mia, M.B. (2005), *ICT in Microfinance: A Bangladesh Perspective*, Federation for Development Cooperation. Working Paper, Brisbane, Australia.
- Mia, M.B. and Ramage, M. (2011). IT project management in developing countries: approaches and factors affecting success in the microfinance sector of Bangladesh. In: *6th International Research Workshop on IT Project Management (IRWITPM)*, 4 December 2011, Shanghai, China.

- Mia, Md. B. "ICT in Microfinance: A Bangladesh Perspective", p. 1
- Mkombe, A. D. (2005). *Evaluation of village community bank groups in Matombo Ward-Morogoro Rural District*. Dissertation for Award of MSc Degree at Open University of Tanzania Southern New Hampshire, University, Dar es Salaam, Tanzania, 81pp.
- Ngalemwa, D.M. (2013). *The Contribution of Village Community Banks to Income Poverty Alleviation in Rufiji Delta*. A Dissertation Submitted in Partial Fulfillment of the Requirements for the Degree of Master of Arts in Rural Development of Sokoine University of Agriculture. Morogoro, Tanzania.
- Nichols (2004), Nichols, S., *A Case Study Analysis of the Impacts of Microfinance Upon the Lives of the Poor in Rural China*, RMIT University, Melbourne, 2000.
- Nunan, D. (1999). *Research methods in language learning*. Cambridge: CUP.
- Nyerere, JK. 1968. Socialism and Rural Development, in *Freedom and Socialism*, edited by JK Nyerere. Dar es Salaam: Oxford University Press.
- Odhero, A. and Kombo, D. (2002), *Research Methods*, Nairobi: Kenyatta University, Institute of St. Paul. Nairobi GPO (Paulines Publications Africa. Open Learning
- Okibo B. W.and Makanga, N. (2014). Effects of micro finance institutions on poverty reduction in Kenya. *International Journal of Current Research and academic Review, Vol 2 No. 2 pp.76-95*
- Okibo, B.W and Makanga, N. (2014). Effects of micro finance institutions on poverty reduction in Kenya. *International journal of current research and academic review, Volume-2 Number 2 (February-2014) pp.76-95*
- Okurut, F.N., Kagiso, M., Ama, N.O., Okurut, M.L. (2014). The Impact of Microfinance on Household Welfare in Botswana. *Botswana Journal of Economics Vol 12, No 1 (2014)*
- Onwuegbuzie, A. J. and Leech, N. L. (2007). Sampling designs in qualitative research: Making the sampling process more public. *The qualitative report, 12(2), 238-254*.

- Organisation for Economic Co-Operation and Development, (2013). *Measuring Wellbeing and Progress*. OECD Statistics Directorate, Paris. Accessed on 18th May, 2017 from www.oecd.org/measuringprogress
- Otero, M. 1999. Binging Back Development in Microfinance, *Journal of Microfinance*, Vol. 1, No 1, pp. 1-19.
- Powell, L. (1999). Conducting Key Informant and Focus Group Interviews Mountain States Group. *Inc., Boise*.
- Randhawa, B. & Gallardo, J. (2003) *Microfinance Regulation in Tanzania: Implications for Development and Performance of the Industry*. Africa Region Working Paper Series No. 51. June 2003. World Bank.
- Robinson, M. (2001). *The Microfinance Revolution: Sustainable finance for the Poor*. The World Bank.
- Roy, R. (2014). A Study On The Perception Of Microfinance, Among Rural People Of Kamrup District Of Assam. *International Journal of Research in Management and Business Studies*. Vol. 1 Issue 4
- Rweyemamu D.C; Kimaro M.P. and Urassa O. M. (2003) "Assessing Micro-Finance Services in Agricultural Sector Development: A Case Study of Semi-Formal Financial Institutions in Tanzania" *Economic and Social Research Foundation*.
- Saunders, M. N. K., Lewis, P., and Thornhill, A. (2007). *Research Methods for Business Students*. Harlow, England Financial Times/Prentice Hall
- SEDIT (2008). A tool for community emancipation from poverty "MKUKUTA". In: *National Policy Dialogue on MKUKUTA, per Annual Consultative Meeting*. 19 – 21 November 2008, Blue Pearl Hotel, Ubungo Plaza, Dar es Salaam, Tanzania. 11pp.
- Semboja, J. (2004). *Rural Credit and Poverty Reduction*: Paper prepared for the 3rd Annual Conference on Micro finance to be held from 15-17 March 2004 at AIIC Arusha

- Sengupta, R. & Aubuchon, P. (2008). *The Microfinance Revolution: An Overview*. Federal Reserve Bank of St. Louis Review, January/February 2008, 90(1)
- Sigalla, R.J and Carney, S. (2012). *Poverty reduction through entrepreneurship: microcredit, learning and ambivalence amongst women in urban Tanzania*. International Journal of Educational Development (In press)
- Steckler, A., Orville, K., Eng, E. and Dawson, L. (1992). Summary of a formative evaluation of PATCH. *Journal of Health Education*, 23(3), 174-178
- Strachan, A.L. (2015). *Women in politics and the public sector in Tanzania* (GSDRC Helpdesk Research Report 1286). Birmingham, UK: GSDRC, University of Birmingham.
- Sullivan, G. M. (2011). A primer on the validity of assessment instruments. *Journal of graduate medical education*, 3(2), 119-120
- Tanzania National Council for Financial Inclusion (2016). *National Financial Inclusion Framework: a Public- Private Stakeholder's Initiatives 2014-2016*
- Teal (2006). *What Africa needs to do to spur growth and create well-paid jobs*. CSAE
- Tejada, J. J. and Punzalan, J. R. B. (2012). On the misuse of Slovin's formula. *The Philippine Statistician*, 61(1), 129-136.
- Terrel, S. (2011). Mixed – methods research methodologies. *The Qualitative Report*, 17 (1), pp. 254 – 280.
- The Organisation for Economic Co-operation and Development (2013), *Global Forum on Development Summary Record*, OECD, Paris.
- The Organisation for Economic Co-operation and Development OECD (2012), *Perspectives on Global Development 2012: Social Cohesion in a Shifting World*, OECD, Paris.
- The Uited Republic of tanzania (1992). *Policy on Women and Development in Tanzania*. Ministry of Community Development, women Affairs and Children, Tanzania.

- The United Republic of Tanzania (2009). *Village community Bank (VICOBA) in Tanzania*. Ministry of Finance and Economic Affairs/Poverty Eradication Department
- Todaro, M.P. & Smith, S.C. (2012). *Economic Development*. 11th edition, Pearson Education Inc.
- Tseggai, I. (2006). 'Foreign Aid: A Poison Pill or a Panacea for Progress.' Paper presented at the annual meeting of the International Studies Association, San Diego, ca, March 22.
- Ugiagbe, E. O. (2014). A Survey of the Perception of the Services of Micro Finance Institutions by the Female Service Users in Benin City, South-South, Nigeria. *International Journal of Finance & Banking Studies*, Vol.3 No.2, 2014 ISSN: 2147-4486
- UN (2005), *UN Launches International Year of Microcredit 2005*. [<https://www.un.org/press/en/2004/dev2492.doc.htm>] website visited on 23rd Dec 2016
- UNICEF (2016), *Maternal Health: Current Status and Progress*. [<http://data.unicef.org/topic/maternal-health/maternal-mortality>] website visited on 2nd February 2016
- Wangwe, S. (2004). "The Future of Rural Finance in Tanzania: Innovations in Rural Finance", A Paper Presented at the Third Annual National Conference on Microfinance, Dar es Salaam: Bank of Tanzania.
- Wangwe, S., & Lwakatare, M. (2004, March). Innovation in rural finance in Tanzania. In *Third Annual Conference on Micro-finance held from 15th to 17th March*.
- WB, (2013). *The State of the Poor: Where are the Poor and where are they Poorest?* [http://www.worldbank.org/content/dam/Worldbank/document/State_of_the_poor_paper_April17.pdf] website visited on 23rd Dec 2016
- Yunus, M. (1999). The Grameen Bank,. *Scientific American*, Vol. 281, No. 5, p. 114-119

Yunus, M. and Weber, K. (2007). Creating a world without poverty: Social business and the future of capitalism. *The Microcredit Revolution*, p. 43-76. Public Affairs, USA

Zohrabi, M. (2013). Mixed method research: Instruments, validity, reliability and reporting findings. *Theory and Practice in Language Studies*, 3 (2). 254-262.

APPENDICES

Appendix A: QUESTIONNAIRE FOR THE WOMEN

QUESTIONNAIRE FOR THE WOMEN BENEFICIARIES OF MICROFINANCE INSTITUTIONS IN CHAMWINO DISTRICT, DODOMA

INTRODUCTION:

Dear interviewee;

You are kindly requested to answer the set of questions below giving relevant details. They are purely meant for academic purpose. Your contribution toward smooth realization of the intended purpose is highly appreciated and any inconveniences that may arise are highly regretted.

SECTION A: RESPONDENTS PERSONAL INFORMATION/ GENERAL PROFILE

I.Age

- a) 26-35 ()
- b) 36-45 ()
- c) 46-55 ()
- d) 56+ ()

II.Size of business

- a) Small ()
- b) Medium ()

III.Marital status

- a) Single ()
- b) Married ()
- c) Divorce ` ()
- d) Widow ()
- e) Cohabiting ()
- f) Separated ()

IV. Education level

- a) Primary education ()
- b) Secondary O level ()
- c) Secondary A level ()
- d) Diploma/Certificate ()
- e) University education (Degree) ()

V. Experience in business

- a) 01-05 ()
- b) 06-10 ()
- c) 11-20 ()
- d) 21+ ()

VI Number of children

- a) 0-3 ()
- b) 4+ ()

VII Employed in paid jobs

- a) Yes ()
- b) No ()

SECTION B: PERCEPTION OF WOMEN TOWARD BONAFIDE MFIs

I. The following are questions that measure perception of women toward bonafide MFIs. Tick what category(ies) that you think describes best your opinion

S/No	Question	Category
1	How often do you access micro-loans in a year?	Occasionally 1-2 times
		Frequently 3 or more times
2	Do you think MFIs are there to help?	Yes
		No
3	Do you think MFIs are helpful to you?	Yes
		No
4	If they are helpful, in which ways?	Increase financial capital
		Decrease poverty
		Increase physical capita
		Increase human capital
		Improve social capital
5	To what extent are MFIs helpful to you?	Increase natural capital
		Very helpful
		Helpful
		I don't know
		Not helpful
6	What is the impact of MFIs in your life?	Not helpful at all
		Positively
		Negatively

**SECTION C: PERFORMANCE (EFFICIENCY) OF MFIs IN PROVISION OF
FINANCIAL SERVICES TO WOMEN**

I. How do you rate the MFIs effectiveness in provision of financial services?

- a) Strongly efficient ()
- b) Efficient ()
- c) I Don't Know ()
- d) Not efficient ()
- e) Strongly inefficient()

II. Are the poorest people access the loans provided by your MFIs?

- a) Yes
- b) No

III. How do you rank the breadth of outreach of MFIs in Chamwino district?

- a) Very broad ()
- b) Broad ()
- c) I don't know ()
- d) Thin ()
- e) Very thin ()

IV. How do you rank the depth of outreach of MFIs in Chamwino district?

- a) Very deep ()
- b) Deep ()
- c) I don't know ()
- d) Shallow ()
- e) Very shallow()

V. How do you explain the efficiency of MFIs in provision of loan?

- a) Very efficient ()
- b) Efficient ()
- c) I Don't Know ()
- d) In-efficient ()
- e) Very inefficient ()

VI. How long does it take to secure the loan since you send your application?

- a) 10-20 days ()
- b) 21-30 days ()
- c) 31+ days ()

VII. Are you satisfied with the MFIs services?

- a) Yes ()
- b) No ()

**SECTION D: THE INFLUENCE OF MFIs TO REDUCTION OF INCOME POVERTY
AMONG POOR WOMEN**

I. What is the intended use of the loan?

- a) Consumption ()
- b) Business ()
- c) Both ()

II. Can you estimate your income resulting from your business?
..... TZS

III. How many people depend on you for their wellbeing?

IV. Do you own any asset?

- a) Yes ()
- b) No ()

**SECTION E: WOMEN ACCESSIBILITY AND CHALLENGES TOWARD MICRO-
CREDIT (LOANS)**

I. Are micro-credit available to you?

- a) Highly available ()
- b) Available ()
- c) I don't know ()
- d) Less available ()
- e) Very less available ()

II. Tick an appropriate challenge that you face in accessing micro-credit from MFIs.

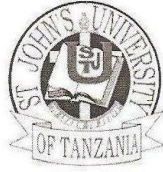
S/No.	What challenges do you face in accessing a loan from MFIs?	Tick
1	Long procedures in application and processing of loan	
2	Accumulation of savings in MFIs	
3	Membership to women groups registered by a MFI	
4	Lack of physical collaterals	
5	High interest rates	
6	Lack of borrowing skills	
7	Delays in loan provision	
8	Small amount of loan to poor	
9	Licensing and tax	
10	Market competition	
11	Lack of entrepreneurial skills	
12	Rental charges	
13	Improper use of loan	

**THANK YOU FOR YOUR TIME
GOD BLESS YOU**

Appendix B: INTERVIEW GUIDE FOR KEY INFORMANTS

- i. Can you briefly explain the requirements for accessing loan in your organisation?
- ii. What are the procedures?
- iii. How long in average does it to take to complete the procedures and get loan?
- iv. What are likely problems women encounter in accessing loans?
- v. Do you think loans help them alleviate their social and economic situation?
- vi. What do you say about the amount of loan ad type of their business? Are they compatible?

Appendix C: RESEARCH CLEARANCE CERTIFICATE



**ST JOHN'S UNIVERSITY OF TANZANIA
DIRECTORATE OF RESEARCH AND CONSULTANCY
INTERNAL REVIEW COMMITTEE**

RESEARCH CLEARANCE CERTIFICATE

FOR MASTER'S AND DOCTORAL STUDENTS

Date of Review: 28th March, 2017

Project title: **The Contribution of Bonafide Microfinance Institutions in Reducing Income Poverty Among Women in Chamwino District in Tanzania**

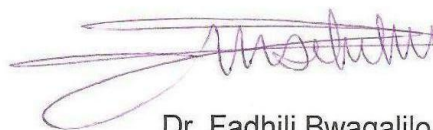
Researcher: **UPENDO NATHANAEL**

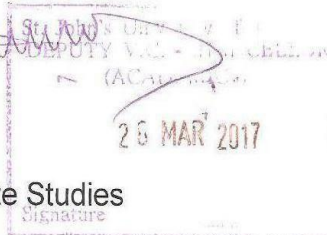
Supervisor: **Dr. G. KIANGI**

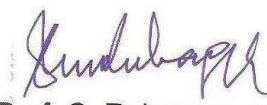
Faculty / Institute / School: **THE FACULTY OF COMMERCE AND BUSINESS**

Degree being studied for: **MSc in Finance**

This is to certify that the research proposal herein detailed has been examined and approved by the Internal Review Committee of St John's University of Tanzania


Dr. Fadhili Bwagalilo
Ag, Director, Graduate Studies


Signature

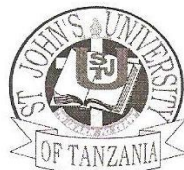

Prof. C. Rubagumya
DVCA

Appendix D: APPROVAL LETTER FOR DATA COLLECTION

ST JOHN'S UNIVERSITY OF TANZANIA

Directorate of Research, Consultancy and
Postgraduate Studies

Tel: +255 26-2390044
Fax: +255 26-2390025
Website: www.sjut.ac.tz



PO Box 47
DODOMA
Tanzania

Date: 03.04.2017

TO WHOM IT MAY CONCERN

Graduate Student's Research Clearance

This letter serves to introduce **UPENDO NATHANAEL** (Registration Number M. 2015/5072), who is a bona fide student of St John's University of Tanzania in the Faculty of Commerce and Business.

She is currently in the research stage of her Masters studies and is required to collect data. She has already obtained ethical clearance from SJUT Internal Review Committee.

Her approved research topic is:

THE CONTRIBUTION OF BONAFIDE MICROFINANCE INSTITUTIONS IN REDUCING INCOME POVERTY AMONG WOMEN IN CHAMWINO DISTRICT IN TANZANIA

I request that you grant this student all possible assistance to facilitate the completion of her research study.

Should you need further clarification please contact my office.

I wish to thank you for your kind assistance for this student.

Yours sincerely

A handwritten signature in blue ink, appearing to be "F. Bwagalilo".

Dr F. Bwagalilo
Ag, Director of Graduate Studies
Email fbwagalilo@sjut.ac.tz

