

Lund University

Lund University Master of International Development and Management

May 2012

Microcredit and Empowerment of Rural Women Experience from  
Mbeya Region Tanzania

Sylvia M. Shekilango

## **ABSTRACT**

A concern for the status of women particularly in the developing country's context has created global and national level initiatives with a goal to empower them. Compared to men, women lack economic opportunities, have limited access to productive and financial resources; moreover they also have minimal participation in the decision-making process. In recent years many developing countries have introduced credit programs targeting women with the explicit goal of empowering them. Given such context of women, it was the interest of this study to explore the extent to which microcredit scheme especially the pro grassroot ones can contribute to the empowerment of women with a focus to improved access to resources and changes in women's lives basing on the fact that such an ability tends to be limited to majority of women particularly the pro rural ones.

The study was conducted in the context of rural Tanzania, Mbeya Rural District. The qualitative approach was employed to obtain the empowerment experience of the rural women members to the Savings and Credit Cooperative Societies (SACCOS).

Findings of this research show that majority of rural women continue to have limited access to microcredit regardless of the nature of the credit scheme; access to microcredits can positively contribute both economic and non-economic changes in rural women's lives.

## **ACKNOWLEDGEMENT**

A lot of people put their efforts towards realisation of my LUMID studies.

It is not possible to mention and thank them all my special thanks goes to my family and relatives who over and above ushered in my heart courage, moral and material support. To my friends, I couldn't have gone this far without you.

My warm appreciation to the LUMID program team for the quality academic years.

Special thanks also go to my LUMID colleagues who in one way or another contributed to the achievement of my LUMID coursework.

I wish to acknowledge the support from the District offices that accommodated me during my MIDM 50 and MIDM 60 coursework.

And, To God be the Glory!

## TABLE OF CONTENTS

ABSTRACT.....	2
ACKNOWLEDGEMENT.....	3
CHAPTER 1 INTRODUCTION .....	7
1.1 Background of the Study.....	7
CHAPTER 2 WOMEN EMPOWERMENT- TANZANIA OVERVIEW.....	9
Country Brief .....	9
1.2 Microcredit provision in Tanzania.....	9
Box 2.1. Landscape of financial service providers in Tanzania (2004).....	11
2.2 Women Empowerment.....	12
1.3 SACCOS in Tanzania.....	14
CHAPTER 3 LITERATURE REVIEW .....	15
3.1 Concept of empowerment.....	15
3.2 Reasons for women empowerment using microcredit .....	19
3.3 Micro credit and women’s empowerment .....	20
3.3.1 Positive effects of microcredit .....	21
3.3.2 Negative effects of Microcredit .....	23
3.4 Women empowerment: Analytical framework .....	24
CHAPTER 4 RESEARCH METHODOLOGY.....	25
4.0 Research Approach .....	25
4.1 Selection of a Study Area .....	26
Figure 1: Map of Tanzania: Illustrating Location of Mbeya Region .....	27
4.2 Data Collection.....	28
Interview .....	28
Semi structured interviews.....	28
Observation.....	29
Document review.....	29
4.3 Ethical Consideration .....	29
4.4 Reliability and Validity .....	30
4.5 Data collection Challenges.....	30
CHAPTER 5 FINDINGS AND DISCUSSION .....	31
Introduction.....	31
5.2 Accessibility to micro credit schemes by rural women.....	32
BOX 5.1 Presenting Mshikamano SACCOS.....	36
5.4 Ways in which access to micro credit influence women’s empowerment.....	36
CHAPTER 6 CONCLUSION .....	41
REFERENCES .....	43
APPENDICES .....	48
Appendix I - Interview and Group Discussions Guide .....	48
Appendix II: Outline of Interviewees .....	49

Appendix III : Selected SACCOS membership base (2011)..... 50  
Annex IV: CHEN's Empowerment Framework ..... 51

## **LIST OF ACRONYMS**

CRDB	Cooperative and Rural Development Bank
FIs	Financial Institutions
FGS	Focus Group Discussions
FINCA	Foundation for International Community Assistance
MBEYA R.D	Mbeya Rural District
RFSP	Rural Financial Services Program
PRIDE	Promotion of Rural initiatives and development Enterprises
SACCOS	Savings and credit Cooperative Societies

## **FIGURES AND TABLES**

Box 2.1	Landscape of financial service providers in Tanzania (2004)
Box 2.2	SACCOS basic features
Figure 1	Map of Tanzania: Illustrating Location of Mbeya Region
BOX 5.1	Presenting Mshikamano SACCOS

## **CHAPTER 1 : INTRODUCTION**

### **1.1 Background of the Study**

Given the status of women particularly in developing countries, empowerment of women has become a development agenda at both global and country levels in recent decades, particularly since the Beijing Women's conference in 1995 (Anderson and Eswaran 2005). Historically women in many developing countries are deprived socially and economically. Compared to men, women lack economic opportunities and autonomy, lack access to economic resources, including credit, land ownership and inheritance, limited access to education and support services as well as minimal participation in the decision-making process (ibid). Promoting equal opportunities and equal access and control over productive/economic assets, social resources and essential services for all is argued to be critical to poverty reduction, gender equality and overall women empowerment (URT 2011; DFID 2000).

Debates on how to empower women have been often centering on women's participation in economic activities and access to financial resources (Anderson and Eswaran 2005). In recent years many developing countries have introduced credit programs targeting women with the explicit goal of empowering them (Swain and Wallentin 2008; Pitt et al 2003). Literature reveals that microcredit targeting women contributes in generating economic activities and enhances their participation in family decision making process hence enabling poor women to attain greater power within and outside the household (Li et al 2011). Furthermore, it increases women resources or better approach for credit facilities foster wellbeing of the family especially children (Mayoux, 1997; Kabeer 2001 as cited in Noreen 2011).

Nevertheless, in many countries, conventional financial institutions have failed to reach most low income groups including women. Microcredit programs have therefore developed to fill this gap. In Tanzania, Savings and Credit Community Services (SACCOS) have been advocated and initiated by the government as one of the simplest forms of grassroots level financial institutions (FIs); and as a way of promoting access to financial services to the marginalized, low and middle income population groups. In Mbeya Rural District a total of 32 SACCOS were initiated through

government's Rural Financial Services Program (RFSP)<sup>1</sup>; implemented with the purpose of improving access to financial services by the poor household.

On the premises that for self-esteem and dignified life; women need to increase their access to and control over the necessary resources, it becomes important to explore the extent to which the prevailing credit schemes in the rural areas, have been able to facilitate *empowerment process* of rural women given that this ability is basically limited to this group. Hence this study takes Kabeer's perspective of empowerment as improvement of a situation in a context where this ability was denied or limited.

The following are the research questions:

1. How do women access micro credit schemes?
2. In what way does the access to micro credit influence women's empowerment?

The research aims at providing additional empirical findings on effectiveness of grass root financial institutions in bringing positive change to the rural poor particularly the marginalized rural women; given that few studies on the subject matter have been conducted in Africa compared to the Asian countries. Moreover, given that micro-finance industry in Tanzania is relatively young the study will potentially provide insights to the microcredit service providers in Tanzania and other development actors on the progress of women empowerment initiative through microcredit in Tanzania.

This paper is organized as follows: Chapter two presents a background to microcredit development and women empowerment initiatives in Tanzania, Chapter three presents theoretical literatures on women empowerment and the analytical tool to be employed in the discussion part. Chapter four covers the methodological approach employed during the data collection process. Chapter five presents discussion of findings on the (rural) women

---

<sup>1</sup> RFSP was an IFAD funded programme that operated from 2002 – 2010 in four distinctly zones of Tanzania. The program was established with the overall goal to attain sustainable increase in income, assets and food security of poor households by enhancing and development of viable rural financial services at the grass root level in the form of registered FIs. The target groups were rural poor households that included Female Headed Households and the landless among many. *Source: IFAD - United Republic of Tanzania Program Completion Report for the rural Financial Services Program 2002 - 2010.*



empowerment process and lastly Chapter six provides summary of major findings, and conclusion of the study.

## **CHAPTER 2: WOMEN EMPOWERMENT- TANZANIA OVERVIEW**

Many countries realize that women empowerment can play an important role in enhancing gender equality and attaining the overall poverty reduction goal. The government of Tanzania also recognizes this importance and the issue of women empowerment has been well articulated in the key and sector specific policy frameworks. This chapter will outline the general background on the development of microcredits in Tanzania, provide an overview of the status of women in the country and highlight the national initiatives on women empowerment.

### **Country Brief**

Over 70% of Tanzania's population resides in rural areas earning a living from small-scale, rain-fed farming and informal business (URT 2010). The country's population by 2008 was estimated to be 39.5 million; female represent over 50% of the total population (ibid). Despite the Gross Domestic Product (GDP) growth, poverty is pervasive. One-third of Tanzanians live below the poverty line, which is well under \$1 a day. Poverty rates are higher among rural households (37.6 per cent) compared to semi urban areas (24.1 per cent) (NBS, 2009 as cited in URT 2010). Tanzania remains highly dependent on aid, with over 40% of its national budget funded by donors (11% of GDP) (Triodos-Facet 2007).

### **1.2 Microcredit provision in Tanzania**

Provision of loans and credits is intended to provide the poor and low income households with the opportunity to accumulate assets reduce their vulnerability to shocks and invest in income-generating activities.<sup>2</sup> Generally, micro-finance industry in Tanzania is still at the evolution stage. The financial sector reform in 1991 shifted to a liberalized sector allowing entry of local and private institutions into the financial service provision. The reform and liberalization were undertaken with the aim of creating effective, efficient and wide spread financial markets

---

<sup>2</sup> Essentials. Microfinance - UNDP Evaluation Office See, <http://web.undp.org/evaluation/documents/Essential-on-microfinance.pdf> Accessed 2012-03-13

through the participation of the private sector, enhanced supervision and regulation, reduce risks and administrative costs; and improve access to financial markets by the poor and private sector (Bee 2007:4; Wangwe 2004).

In recognition of the role of micro finance to the overall development, a Microfinance Policy (2000) was established as a basis for the evolution of an efficient, effective and inclusive micro financial system in the country. The Cooperative Development Policy was also re enforced in 2003 to support the establishment of viable cooperative financial institutions in the context of rural finance (Bee 2004). Nevertheless, it is reported that there a huge unsatisfied demand for financial services both in rural and peri-urban areas of Tanzania prevails. More than 70% of the population lives in rural areas and has limited or no access to any type of financial services (Triodos-Facet 2011).

Rural households' access to financial services is still constrained by factors categorized into: the cost of borrowing that includes interest rates and transaction costs; policy, legal and regulatory framework and institutional and infrastructural weakness (Bee 2007). As per the 2009 Finscope survey<sup>3</sup> only 12.4 per cent of Tanzanians have access to financial services that may include microcredit from formal service providers, 4.6 per cent are served by the semi formal services and 27.3 per cent depend on financial services from informal providers (Triodos 2011:9). It is also presented that many more rural Tanzanians use semi-formal financial institutions than do their counterparts in urban areas (ibid). The financial service providers in Tanzania are comprised of 3 types of institutions as illustrated below by table 2.1.

---

<sup>3</sup> FINSCOPE (2009) is a national survey conducted in Tanzania for the second time by the MicroNed network on the demand for and barriers to, accessing financial services. 7,680 interviews were conducted across every region of the country, representing the national population of 16 years and over, on the mainland and Zanzibar (22 million people).

**Box 2.1. Landscape of financial service providers in Tanzania (2004)**

Informal providers	Semi Formal providers	Formal providers
Reciprocal lending among friends	Savings and Credit Cooperatives	Central Bank
Rotating Savings and Credit Associations (ROCSAs)	Microfinance Institutions	Commercial Banks
Self-help Groups		Development Banks
Money Lenders		Insurance Companies
Money Guards		Registered Financial Companies and some SACCOS
Deposit Collectors		National Social Security Fund
Village Community Banks		

**Source:** (Mutesarira 1994 cited in Bee 2007:144)

<sup>4</sup>The *Formal providers* consist of institutions that are subjected not only to licensing and specific banking regulations and supervisions by the Bank of Tanzania. These include commercial banks like CRDB bank Limited, Akiba Commercial Bank, National Microfinance Bank to name but a few. Experience has shown that most conventional banks exclude the poor from basic services especially loan access due to factors such as high risk, low profit and high transaction cost (ibid). The *semi-formal institutions* these are the registered entities subject to all relevant general laws but not subject to regulation and supervision as financial intermediaries (ibid). Other providers in this category are the Financial NGOs such as PRIDE, FINCA, SELF and others (ibid). *Informal financial providers* – this is a kind of financial provision practice that is not tied to any form of general commercial law. Access to service is based on simple reciprocal arrangements between neighbours, savings groups etc

<sup>4</sup> This section borrows exclusively from the (Randhawa and Gallado 2003).

## 2.2 Women Empowerment

Women constitute over 50% of the Tanzania population (URT 2010; URT 2005). They are found at the bottom level of poverty, illiteracy, landlessness and concentrated in rural areas where facilities and services are scarce<sup>5</sup>. 60% of women live in absolute poverty and about 90% of them reside in rural areas as wives and mothers; basically engaged in agriculture, subsistence farming and small scale non-farm economy for their livelihood and economic prosperity; consequently vulnerable to poverty (URT 2005). The incidence of poverty and illiteracy is reported to be higher among this group than men. Literacy is especially low among rural women, 40% of this population group is stated to be illiterate (URT 2010).

To promote equal opportunities and equal access to and control over productive assets, social resources and essential services for all Tanzanians; the Government of Tanzania has in place to address gender equality by incorporating gender perspectives in policies, strategies and programmes, amending laws that discriminate against women and ratify international instruments that promote gender equality and human rights (URT 2010). At the international level the country has ratified the Beijing Platform for Action (1995) on women's economic and political empowerment, education and training. From this convention the national focus being on national focus on enhancement of women's legal capacity; economic, empowerment of women and poverty eradication; women's political empowerment and decision making and access to education, training and employment (URT 2005). At the national level, national legal, policy and institutional frameworks are conducive to the promotion of gender equality and women's empowerment to support their full participation in social, economic and political life.

Key components of policy framework include:

- The Tanzanian Development Vision 2025
- National Strategy for Growth and Reduction of Poverty 2005-2010 (MKUKUTA)

---

<sup>5</sup>Losilindo.E, Mussa.A and Akkarro R (2010). Some Factors That Hinder Women Participation in Social, Political and Economic Activities in Tanzania Arts and Social Sciences Journal, Volume 2010: ASSJ-4 See, [http://astonjournals.com/manuscripts/Vol2010/ASSJ-4\\_Vol2010.pdf](http://astonjournals.com/manuscripts/Vol2010/ASSJ-4_Vol2010.pdf) accessed 2012 -04-26

- National Women and Gender Development Policy 2000, and the associated National Strategy for Gender Development (NSGD) 2005 (URT 2010).

Majority of women particularly in the rural context of developing world continue to live poor, marginalized and subordinate to men; generally with fewer assets, limited access to resources and opportunities for income generation. Significant gender disparities persist across many spheres in Tanzania. Most of these disparities that consequently hinder women's equal access to productive resources have negative repercussions on women empowerment as well as the overall country's growth (URT 2010). It is well established that patriarchal social relations and active customs and traditions that exist between men and women in societies have influenced gender equality in many societies of Tanzania; hence having impact on women's income, access to education, resource allocation and opportunities to participate in politics, leadership, education and training (URT 2005). Arguably, this background further enhances women's limited access to resources such as microcredit that could have facilitated their socio economic empowerment and overall poverty reduction (ibid).

It is generally acknowledged that women in Tanzania just like many other parts of Africa face major difficulties getting credit and other forms of financial services (Macha and Mdoe 2002). Although poor men as well as women confront obstacles, women have less access to credit than men (ibid). To overcome this situation, the Government of Tanzania committed itself to enhance women's economic capacity through making credit facilities available to a majority of women building and supporting women entrepreneurial skill, improving their management capabilities, increase training and access to technology. Some of the established schemes for low income women in Tanzania include the Presidential Trust Fund (PTF) which operates as an NGO and the Women Development Fund (WDF) (Makombe et al 1999). The 1980s and 1990s also saw development and rapid expansion of large minimalist poverty-targeted micro-finance institutions and networks like PRIDE, FINCA and SACCOS among others which followed the Grameen Bank approach

### 1.3 SACCOS in Tanzania

The Savings and Credit Cooperative Societies (SACCOS) are the principle semi formal institution accessible to the population in the rural areas. They are savings and credit cooperative established with the purpose to encourage savings among members and using the pooled funds to extend loans to its members at reasonable interest rates, and providing related financial services to enable members improve their economic and social conditions. In Tanzania, SACCOs were established by the Cooperative policy No. 20 of 2003 so as to furnish secured and unsecured loans or credit to households, small holder producer and micro enterprises in rural and urban areas (URT 1994). By December 2006, there were over 5,314 SACCOs in Tanzania registered with the SCCULT<sup>6</sup>; with approximately 1,521,693 members (SCCULT 2011); these SACCOS function as bridges between individual borrowers, particularly small borrowers and the formal financial institutions (Wangwe 2004). The membership base consists of 914,560 men and 607,133 women as individual members and 30,549 group participants.

About 60% of registered SACCOS in Tanzania are classified as rural and 40% as urban (mostly wage based) (Tridos-Facet 2007). A pre condition to membership involves payment of a membership application fee and buying of an agreed minimum amount of shares. The membership to SACCOS can be in form of a group or individual basis. The main source of SACCOS capital is basically members' shares, deposits and savings (URT 2003). SACCOS service involves two types of products: savings products (savings and deposits) and credit products (emergency, short term and medium term).

SACCOs are regarded to have functioned as a bridge between individual borrowers, particularly small borrowers, and the formal financial institutions (Wangwe, 2004). The SACCOs linkages with formal financial institutions have facilitated credit extension to small borrowers in the rural areas some of which are otherwise not easily accessible (ibid).

---

<sup>6</sup>SCCULT - Savings and Credit Cooperatives Union League of Tanzania; a registered umbrella organization for SACCOs in Tanzania

**Box 2.2** SACCOS basic features

***SACCOs basic features:***

***Shares*** – a necessary aspect of entry process that provides one with entitlement and eligibility to a number of SACCOs services. Full membership is accomplished with the attainment of a minimum number of shares.

***Savings*** – this is a type of a fixed deposit that needs to be in the members account. It is what can then be taken out as a loan basically up to three times the amount.

***Deposits*** – an amount of money that can regularly be credit and debited. It is basically ones SACCOs savings bank account

***Dividends*** – this is redistribution of the profits to the members as dividend on the basis of shares owned by each individual member.

***Credits*** -SACCOs loan service

## **CHAPTER 3: LITERATURE REVIEW**

In this chapter the study will present the synthesis of the existing literature in areas of women empowerment and micro credits. The chapter consists of the following sub sections: conceptual definition of the term (women) empowerment; reasons for empowerment; micro credit and women empowerment covering the historical background of the scheme and lastly the analytical framework for the study.

### **3.1 Concept of empowerment**

The term empowerment employs both diversity and commonality among scholars. Generally, most definitions focus on issues of gaining power and control over decisions and access to resources that determine the wellbeing of one's life (Karubi 2006: 89). Literature on empowerment identifies essential elements of the term empowerment to include: process of change - a progression from one state to another; and to involve women themselves as significant actors in the process of change that is being described or measured (Malhotra 2002). Therefore

empowerment should involve improvement indicators from one point in time to another (ibid). In this case empowerment of women has recently been described as the process by which women acquire the ability to make strategic life choices in a context where this ability was previously denied.

Empowerment is a multi discipline concept which has been and can be used to mean somehow different aspects depending on the focus of the study and/or community and situation at hand. Literature review has shown that, generally empowerment is the ideal combination of change, choice, and power (Cheston et al 2002) such that it entails the ability to obtain resources that enables participation in economic decision-making (Rowlands 1997). Individuals therefore, become empowered when they obtain, the power to determine choices in life and to influence the direction of change that affects them, through the ability to gain control over material and non-material resources (Rowlands, 1997).

It is a process that people are supposed to undertake by themselves or being involved in the process. Whether or not they are given the means for empowerment or they take it, the crucial consideration is what they do with it. Therefore what matters is the end result where the person who had no power/say on the things that affect their well being becomes the agents of their own development either at individual or group levels.

On the other hand Bartlett (2004) asserts that generally empowerment involves a transformation which includes: means, process and ends. Means refer to rights, resources, capabilities and opportunities. Process refers to self-directed analysis, decision-making and action. A change in *means* creates the potential for a change in *process*. A change in *process* creates a potential for a change in *ends*. In many cases this transformation is cyclical; with a change in ends bringing about a further change in the means of empowerment. Ends refer to greater control of livelihood assets. According to his study, all three transformation elements must occur for empowerment to be realised.

Bartlett (2004) further states that, the range of means for empowerment is extremely wide, from national legal and political systems, to the savings and skills of individuals. All of these things



can provide the potential for empowerment. At the heart of empowerment is a process that people undertake by themselves. In some cases, a group leader or a small committee is making all the decisions while other members are being told what to do and in other cases all members are involved in the process of examining problems and options, and deciding what action to take. If empowerment involves a transformation, then the outcome of agency must be an increase in the influence that people have over something important in their lives such as: Human Capital (e.g. knowledge, skills, health), Social Capital (e.g. groups and networks), Natural Capital (e.g. land and water), Physical Capital (e.g. houses, roads and sanitation) and Financial Capital (e.g. savings, credit, wage rates).

According to Kabeer (2001), the change in the ability to exercise choice such as women empowerment can be thought of in terms of change or improvement in three dimensions through which empowerment is attained: access to resources, women's agency and other achievements.

*i) Resources which form the conditions under which choices are made (material, social or human resources)*

*ii) Agency, i.e. the ability to define goals and act upon them. Agency can have both a positive and negative meaning in relation to power, which can be described as "power to" or "power over"*

*iii) Achievements are basically outcomes of following enhancement of choices (Ryan 2007:23)<sup>7</sup>*

The dimensions or pathways are argued to be interlinked in a sense that changes in each item contributes to, and benefits from, changes in the others. More literature on empowerment identifies essential elements of the term empowerment to include a progression from one state to another; and to involve the subjects (women) themselves as significant actors in the process of change that is being described or measured (Malhotra 2002).

---

<sup>7</sup> Ryan .B (2007). Gender Mainstreaming and Empowerment - Concepts studied in a development cooperation programme in Kenya; Master Thesis in Africa and International Development Centre for Africa Studies

On the other hand Garikipati's (2006) focus on women empowerment identifies that the positive change in a woman's circumstances as characterized by external qualities such as her status in the family, health, education level and experiential knowledge as well as internal qualities such as self awareness and self-confidence (ibid) to be the characteristics of empowered women. Other aspects of changes in women's lives as employed by different scholars include mobility, economic security, ability to make both small and larger purchases, involvement in major household decisions, relative freedom from domination within the family, political and legal awareness, and involvement in political campaigning and protests (Hashemi et al 1996); women's control over loan use (Goetz and Gupta 1996), and material, cognitive, perceptual and relational (Chen and Mahmud 1995). These studies cover the concept of empowerment in a much broader picture.

People are not empowered in isolation, but in relation to other people (Mason, 2003). We can apply this idea to three domains of human decision-making and action: In the household domain – women are empowered in relation to men; in the community domain – the poor are empowered in relation to the rich; in the broader social domain – civil society is empowered in relation to the state.

Three forms of women empowerment are outlined as: economic empowerment; increased well being; and social and political empowerment as far as women are concerned (Mayoux 2000.8).

***Economic empowerment:*** This is the capacity of women (and men) to participate in, contribute to and benefit from growth processes in ways which recognize the value of their contributions, respect their dignity and make it possible to negotiate a fairer distribution of the benefits of growth. Economic empowerment increases women's access to economic resources and opportunities including jobs, financial services such as credits, property and other productive assets, skills development and market information.

***Increased well-being:*** Once the economic empowerment occurs enables women to increase expenditure on the well-being of themselves and their children. This is the main concern in the

poverty alleviation programs. Thus, the outcome of meaningful empowerment should also be reflected on the improvement of the household well being overtime.

***Social and political empowerment:*** this is supposed to be the result of true economic empowerment where women have voice, choices, confidence and therefore are able to participate in various leadership positions both politically and in the society.

The rationale for providing women access to microcredit services is that gender inequalities inhibit economic growth and development. The predominant image of empowerment in development is that of women gaining (material) means to empower themselves as individuals, and putting this to the service of their families and communities.” This is primarily because empowerment is understood in relation to deliberate and planned interventions such as electoral quotas, education, economic empowerment initiatives, legislative change and non-governmental public action (Kulkarni, 2011).

One way of attaining all the above forms of empowerment as reviewed in the literature is through enhancing women access to the credits. A growing body of literature argues that credit programs empower women by strengthening their economic roles, enhancing their capacity to contribute to their family’s income, helping them establish their identity outside the family and giving them experience and self confidence in the public sphere (Mayoux1995a; Pitt and Khandker 1995 as cited in UN 2001 ).

### **3.2 Reasons for women empowerment using microcredit**

Research indicates that gender inequalities in developing societies inhibit economic growth and development (Cheston and Kuhn 2002). With reference to World Bank report, it is revealed that societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth, weaker governance, and a lower living standard of their people. Hence, increased access to productive assets (especially land, capital, and credit), processing, and marketing for women becomes important (ibid).

It is also well presented that, 70% of the world's poor are women, who work two third of Africa labor hours producing 70% of the food in Africa while receiving only 10% of the income, moreover they own less than 1% of the properties in the continent. Yet traditionally women have been disadvantaged in access to credit and other financial services. Umuoh (2006 as cited by Li 2010) outlines inaccessibility of credit as caused by factors that include lending policies of financial institutions, specified minimum loan amounts and membership requirements and others. As per Cheston and Kuhn (2002), the statistics somehow justify giving priority to increasing women's access to financial services on the grounds that women are relatively more disadvantaged than men. Therefore, by providing access to finance for income-generating activities, microfinance institutions can significantly reduce women's vulnerability to poverty (ibid).

In addition to the above, it is posited that women have been shown to spend more of their income on their households; when women are helped to increase their incomes, the welfare of the whole family has shown to improve (ibid). Studies have shown that women's' income generated from microenterprises is often first invested in children's welfare, particularly children's education. A given example is the Women's Entrepreneurship Development Trust Fund in Zanzibar Tanzania; according to the WEDTF report, "women's increased income benefits their children, particularly in education, diet, healthcare, and clothing" (Cheston et al 2002). Hence access to credit apart from empowering them has far more general social economic benefits.

### **3.3 Micro credit and women's empowerment**

The idea of microfinance, lending to the poor, was discovered by a Nobel Prize winner Dr. Mohammed Yunus of Bangladesh in the 1970's (Swope 2005; Banuri, 2006). Yunus combated poverty and provided resources to the poor through the Grameen Bank (Banuri 2006). The Grameen Bank's approach to poverty alleviation is known as microfinance. Before Yunus project, the poor were not allowed to access credit and loans due to the widespread belief that they could not repay. However through this project, it was revealed that poor people can be empowered to improve their own lives through microcredit (Swope 2010).

Since the adaptation of microcredit in various parts of the world, there has been different empirical evidence about effects of microcredit to women empowerment. Through literature, some findings show positive and negative effects of microcredit towards empowering women.

### **3.3.1 Positive effects of microcredit**

Noreen (2011) argued that microcredit services lead to women empowerment by positively influencing women's decision making power at household level and their overall socioeconomic status. Although the process of empowerment varies from culture to culture, several types of changes are considered to be relevant in a wide range of cultures. Some of these changes include increased participation in decision making, more equitable status of women in the family and community, increased political power and rights, and increased self-esteem. (Hoque & Itohara 2009) reported that micro-credit is contributing to some extent in generating economic activities and participation in family decision making of the rural women.

Pitt et al (2003) argued that credit programs increase the role of women in household decision making and also have greater access to financial and economic resources. In addition it increases social networks and having greater freedom of mobility.

Access to credit is argued to have a potential contribution on improved resource base among women borrowers. Evidence reveals that micro credit provision can potentially enhance income generating activities and build assets and consequently improve status of women socially and economically. Mayoux (2000) extensively advocates that women's access to savings and credit creates economic empowerment associated with choices they make concerning credit and savings. It enables them to start their own economic activities, invest more in existing activities, acquire assets or raise their status in household economic activities through their visible capital contribution.

On their study Sultana and Hasan (2010) found out that women who had access to microcredit experienced income rise and able to save more money as compared to their counterparts. Another significant outcome revealed by the study was increase in the women's ownership of productive assets (cattle, goat, poultry, etc.) and non productive (jewelry, TV/radio, small

vehicles and others households goods) as result of accessibility to credits because they could afford such assets through profits generated from their microenterprises.

Overall women's active role in decision making process in the public and household domain is also argued to improve when women participate in credit schemes. Kabeer (2004) and Malhotra, (2002:9) use the term agency referring to power within; which encompasses ones active role to formulate strategic choices and to control resources and decisions that influence important life outcomes.

Channeling credits through women may enable them to play an active role in intra household decision making, decrease potential household vulnerability and increase investment in family welfare especially in areas of children's nutrition and education. Consequently, social and political empowerment occur from a combination of women's increased economic activity and increased decision-making in the household as the two give women greater confidence and a sense of self-worth (IFAD 2008; Mayoux, 2005). Hashemi (1996) concludes that credit programs provide access to an important economic resource, and consequently enable women to bargain gender barriers, increase their control over their own lives, and improve their relative positions in their households.

In terms of public domain, Kuhn (1975) establishes that women joining microcredit institutions tend to realize more respect from their communities than they did before joining a microfinance program. Studies have shown that women are taking greater roles in giving advice within the community, organizing for social change, and participating in community meetings—in part because they are now able to contribute financially to community needs and social activities. In other cases, women's involvement in political affairs is also reported to increase. Citing Sebstad and Cohen report (Kuhn 1975) adds that lending schemes provide a means for women to know each other; a forum for learning leadership and public speaking skills; and a basis for development of trust, friendship and financial assistance.

### 3.3.2 Negative effects of Microcredit

While the empowering potential of microfinance programs remains strong, the evidence of challenges, ineffectiveness and limitations of the potential is equally compelling. Although microfinance has the ability to empower women, the connection is not straightforward or easy to make. Just handing money to women and giving them access to financial assets and resources does not create a sense of empowerment for women, thus there is a need to structure the microcredit schemes in such a way that the empowerment outcome is realized. Others argue more strongly that access to microcredit actually impacts women's empowerment experience negatively by leading to a certain kind of disempowerment (Kulkarni 2011).

Both men and women assume risks when taking out a loan—which becomes a debt with all of its accompanying stresses and responsibilities. In addition some studies of the impact of microfinance programs have raised legitimate concerns about the potentially negative impact that programs can have on women, particularly in highly restrictive environments. One often-reported concern is that clients' husbands or other household members take control of the woman's loans, yet the client herself retains responsibility for paying off the loans, thus increasing her level of stress and dependency (Goetz et al, 1996; Rahman, 1999).

Johnson (2004) cited in Wrenn (2005) states that having women as key participants in microfinance projects does not automatically lead to empowerment; sometimes negative impacts can be witnessed. She refers to increased workloads, increased domestic violence and abuse.

Nevertheless, Mayoux (2000) notes gender and contextual constraints at all levels that continue to obstruct women from accessing credit programs, increasing or controlling incomes or challenging subordination. She asserts that where women are not able to significantly increase incomes under their control or negotiate changes in intra-household and community gender inequalities, they may become dependent on loans to continue in very low-paid occupations with heavier workloads and enjoying little benefit. Empirical study by Rahman (1999) on micro-credit program of the Grameen Bank reveals that, on the contrary loan repayment pressure to have inflicted an intense pressure among women clients resulting into loan recycling practices among

the borrowers, increases tension and frustration among household members and produces institutional dominance over women in society.

Goetz and Gupta (1995) also present counter effects findings that access to credit in some cases may not bring any empowerment to women especially when it is the husbands who control the credit instead of the women themselves. Their study in rural Bangladesh on control over loan use revealed women's credit to be controlled by husbands, hence negating development objectives of lending to women (Nathan et al 2004:5).

### **3.4 Women empowerment: Analytical framework**

Despite the reported negative findings microcredit continue to play a significant role in the process of women empowerment. Given that significant variations in the conceptualization of the term empowerment exist, in this case no uniform indicators of women empowerment have been established yet. In this study, a discussion on women empowerment through microcredit will be built around Kabeer's as well as Mahmud and Chen (1995) conceptualizations of empowerment.

This study takes into consideration the context of rural women in Tanzania that includes insubordinate status and limited access to financial resources. Such a context is basically generated by institutional factors at the societal and the service provider's levels. As far as access to financial service is concerned, Li (2010 citing Umuoh (2006) outlines factors such as lending policies of financial institutions, which can be manifested by complicated application procedures, specified minimum loan amounts and prescribed loan purposes

Kabeer's definition of empowerment "*the expansion in people's ability to make strategic life choices in a context where this ability was previously denied to them*" is employed as a primary analytical approach for the study to explore improvement in the accessibility of microcredit service by the rural women as catalysts for empowerment in terms of an initial or entry process for empowerment; and the socio economic changes in women's lives.

Discussion on question one of the study will be based on Kabeer's idea of 'resource' dimension. To Kabeer resource entails material resources in the more conventional economic sense, also the



various human and social resources which serve to enhance the ability to exercise choice (Kabeer 2001). This study treats microcredit as resource in itself. Hence the focus will be the extent to which SACCOS has facilitated the accessibility of microcredits among rural women given that this ability is limited to majority of them. The focus in this aspect shall be the women's membership to the program and women access to the loan service.

Discussion on question two of the study will look into the socio economic improvements in women's lives and the manner in which this improvement has facilitated change in women's context with a focus to the insubordination aspect. Chen's empowerment indicators on empowerment will be borrowed in this part with respect to change in the material, cognitive, perceptual and relational aspects (Mahmud and Chen 1995)<sup>8</sup>. Kabeer refers to this as intermediate level outcomes that basically reflect change at the level of individuals and groups, in their sense of selfhood and identity, in how they perceive their interests and in their capacity to act (2001).

## **CHAPTER 4: RESEARCH METHODOLOGY**

### **4.0 Research Approach**

In order to obtain sufficient and reliable information for the study, data collection process entailed both primary and secondary tools. The research approach was qualitative; according to Allan Blackwell (Blackwell, 2004), qualitative research is a form of social inquiry that focuses on the way people interpret and make sense of their experiences and the world in which they live in. The approach was found to be appropriate in relation to research interest which was to obtain answers beyond the available facts and statistics on micro-credits and women empowerment in Tanzania. Qualitative research therefore provides the basis for understanding the social world through an examination of the interpretation of that world by its participants (Bryman,

---

8

Mahmud, S. (2002) Actually How Empowering is Micro Credit? Online <http://portal.ku.edu.tr/~dyukseker/mahmud-microcredit.pdf> Accessed 2012-04-6

See appendix for a description on Chen empowerment framework

2004:266). The approach allowed the researcher to encounter the study area and the study subjects personally; to observe and obtain their experience on the research topic.

According to Baxter and Jack (2008), qualitative case study is an approach to research that facilitates exploration of a phenomenon within its context using a variety of data sources. Given that, the research interest was to capture aspects of women empowerment and factors influencing the process from the female members' perspective, a case study option was adopted through which the researcher was able to encounter relevant subjects as informants for the study. The study area was Mbeya Rural District, involving the SACCOS as case study. SACCOS women members, leaders and district officials were encountered as study's respondents.

For this study the sampling technique was predominantly purposive, for its ability to establish a good correspondence between research questions and the respondents; hence giving a researcher a chance to interview people relevant to the research questions sought to be answered (Bryman 2008). Therefore, the sample units were selected intentionally for possessing relevant characteristics to the research topic as well as for convenience related factors on the researcher's side. The SACCOS leaders helped the researcher to identify the women participants for the focus group discussions (FGD) basing on prescribed criteria by the researcher.

#### **4.1 Selection of a Study Area**

Mbeya Rural District (R.D) was selected as the study area for reasons explained in the text below. It is among the 114 district of Tanzania Mainland located in Mbeya Region, South West of Tanzania. The population size as per the 2002 national census was 254 897 of which 135683 are males and 119,214 are females<sup>9</sup>. The district has 148 villages and 25 wards.

---

<sup>9</sup> The last national census in Tanzania was conducted in 2002. However according to the district population register the population size by 2010 is estimated to be 650,000

**Figure 1: Map of Tanzania: Illustrating Location of Mbeya Region**



Source: Google Map, 2012.

The district is characterized by economically active women, involved in agriculture, small and medium scale trading activities. Nevertheless, culturally, the societies are still characterized by male dominance practices such as widow inheritance, early marriage, boy-child favoritism and limited property rights among women. Female subordination aspects are also significant at community level life; where male chauvinism still persists.

A combination of the following reasons made the district ideal for the study: a) significant level of women economic activities somewhat associated with a potential demand for credit among this group, (b) government SACCOS promotion project in the district and (c) researchers familiarity to the district.

## 4.2 Data Collection

The process of data collection included mainstream techniques such as: semi-structured interviews, focus group discussion, direct observation and document review. Each of these tools are explored in the subsequent sections.

### Interview

In qualitative research, interviews are usually undertaken to involve some form of conversation with purpose (Burgess 1984: 102 as cited in Ohlsson, 2004:225). *“The style is conversational, flexible and fluid, and the purpose is achieved through active engagement by interviewer and interviewee around relevant issues, topics and experiences during the interview itself (ibid)”*. The Focus Group Discussions were conducted with women members of SACCOS. FGDs allowed the researcher to obtain deep and wide information on micro-credit, empowerment process and open discussion for constraining factors. This tool carries flexibility in questioning and in getting in depth information on the investigated phenomena regardless of the literacy level of the respondents.

With the help of the interview guide (attached as Annex 1), FGDs allowed open discussion through which the participants freely expressed their views and experiences on micro-credit participation, respond on aspects of empowerment and outline factors that they find as positively or negatively influencing their empowerment process through micro-credit schemes.

### Semi structured interviews

Semi structured interviews were conducted to key informants involving people with knowledge on the issues focused by the study (Mikkelesen 2005). 11 key informants' interviews were conducted in a one on one format with the SACCOS leadership and the district level officials. The interviews principally served as a source for supplementary information, to obtain most current statistics and information as well as to corroborate

information already obtained from other sources. Moreover, the interviews provided clarification and information for the assessment of women empowerment aspect from the micro-credit service perspective. Questions related to women inclusion in the services were widely covered through this tool.

## **Observation**

According to Mikkelsen (2005), observation as a tool for the study contributes to information on change. It is regarded as another source of evidence in our case study that helps to strengthen the findings (Yin 2009: 92). In the study process, the researcher also undertook a non-participant role through attending two SACCOS general assemblies; a SACCOS annual plan development session and conducted a site visit in form of an area survey at the market area where majority of women are SACCOS. This role allowed the researcher to practically observe and assess the socio economic empowerment of women from an informed point of view.

## **Document review**

The document review involved going through a variety of documentation in order to access additional information as well as obtaining a quantitative picture of the studied phenomena. Sources such as books, newspapers, reports, related research and scholarly articles were reviewed to provide supportive and supplementary information for the study. They also served as theoretical and empirical literature base for the analysis of collected data.

## **4.3 Ethical Consideration**

As listed by Mikkelsen (2005:342) permission to undertake research, informed consent, confidentiality and explaining purpose was significantly considered during the data collection process. Researcher's self-introduction pack was submitted to the district authorities to obtain a high-level permission, familiarize them with the research topic and research purpose. At the SACCOS office level, a short introduction on the purpose of the research was also conducted in order to obtain a willing cooperation of the research participants. Interview questions which

proved to be somewhat sensitive to respondents such as those about income levels were abandoned or rephrased. In cases of voice recording and writing down participants were informed and assured that the information would be treated with maximum confidentiality. The interviewees were also made aware that recording and/or any information written down by the researcher is not for any legal action against their SACCOS managements.

#### **4.4 Reliability and Validity**

The reliability and validity of research findings is primarily looked at in terms of presenting findings and conclusions that are much more convincing and accurate (Yin 2003:98) instead of generalization of the information. The multiple data collection technique was employed not only for the purpose of expanding the richness of the information and obtains answers for all research questions but also with the aim of improving the accuracy of the information. For example, some set of questions were repeated to all categories of respondents as a way of corroborating the information and checking its reliability.

#### **4.5 Data collection Challenges**

In the course of data collection, the research team encountered various challenges ranging from language barrier to poor records keeping of SACCOS. Language barrier was slightly experienced however it did not cause much delay in the interview process. In some situations district or SACCOS personnel present helped to clarify the questions in the local language to the respondents. The biggest problem encountered was the illiteracy level of the women respondents; in this case anything that involved them to write down could not be achieved at the setting. Hence the researcher had to note down responses from all sessions by herself given that the poor recording tool was utilized and not all respondents agreed to be recorded during interviews. Poor records keeping at both SACCOS and district levels made it difficult for the researcher to establish a wider picture that cut across years. For example, given that the SACCOS initiative started in Mbeya Region since 2002, SACCOS institutional and membership growth picture in the region and district level could not be obtained even from the district registrar's office.

## CHAPTER 5: FINDINGS AND DISCUSSION

### Introduction

The chapter presents the major findings and discussions related to micro credit and empowerment of rural women basing on experiences from women members of SACCOS in Mbeya Rural District. The findings are presented in regard to the objectives of the study which were to explore the accessibility of micro credit schemes by the rural women and the influence of micro credit on women empowerment. This section firstly presents an overview of the SACCOS scheme in Mbeya Rural District. Then the section presents findings and discussion on the accessibility of microcredit by rural women as part of women empowerment process; followed by and discussion on the socio economic empowerment of women through microcredit.

#### 5.1 Profiles of SACCOS in Mbeya Rural District

A total of 34 SACCOS were registered with the district by the end of 2010. Out of the 34 registered SACCOS, 17 are community based that were initiated from 2003 – 2006 through the Rural Financial Services Program (RFSP) initiative in the district<sup>10</sup>. The SACCOS profile in the district also consists of wage based and entrepreneurs based ones. Individual type of membership to SACCOS is the most widely applied approach in Mbeya rather than the group based one basically *“for SACCOS capital maximization reasons”* according to the district cooperative officer.

As per the district register, the membership base among the SACCOS varies greatly ranging from 300 to 1,100 members for the one with the lowest and highest respectively. SACCOS in the district involves participation of both male and female members and so far there are no gender specific types of SACCOS registered with the district, both men and women are well represented in the microcredit institutions like SACCOS

This study sampled out five SACCOS of which only one had a higher number of women members than males (see appendix Table 2). The other four SACCOS had more male members

---

<sup>10</sup>The RFSP program cycle in the district was from 2002 to 2010

than females; this shows that, despite having micro finance institutions at grass root level; the low representation of women in most of the SACCOS suggests that the women have still not been able to access this service. The economic activities undertaken by women members of SACCOS include formal employment, farm and off farm activities. The off farm activities include; petty trading, mini groceries, beer brewing, loan services, marketing grains and poultry. The education level of women varies from SACCOS to SACCOS this is basically based on the SACCOS location. The study found out that SACCOS that are semi rural located tend to have members who have attained up to high school level of education<sup>11</sup>.

A condition to attain full membership status with a SACCOS in the district firstly involves accruing a minimum number of shares that basically ranges from 5 to 15 shares at a price which ranges between 5, 000 to 10,000 TZS<sup>12</sup> per share. On average, a required level of minimum savings is 40,000 TZS per member and a minimum deposit of 30,000 TZ. Other costs involved in acquiring the membership include the application form and registration fees which may sum up to 15,000 TZS. Hence the total cost/payment which a new member is required to pay/contribute to become a full member is about 130,000 to TZS.

There are four types of financial services offered by the SACCOS namely; credit, savings, shares and deposits. Deposits and savings are important aspects for loan eligibility for members in the district. Among the SACCOS procedures for accessing the loan/credit is for a member to submit a business plan as a way of ensuring that loan is taken for income generating purposes; and also to establish that one has in place a functional loan repayment plan to avoid high default rates for the sustainability of the SACCOS.

## **5.2 Accessibility to micro credit schemes by rural women**

The context of women's access to microcredit service in developing countries including Tanzania has been widely presented. A concern on this research has been to explore the extent to which grass root microcredit schemes such as SACCOS have facilitated women's access to

---

<sup>11</sup> As illustrated in the SACCOS management profile. Kumekucha SACCOS is one example

<sup>12</sup> Refers to Tanzanian Shillings; 1US\$ = 1600 TZS as in April 2012



microcredit services as part of the empowerment process. In this study, the issue of women's access to microcredit services is viewed in terms of membership and loan access aspects.

Findings reveal that there is low participation of women in microcredit institutions as illustrated by the proportion of women who are members of SACCOS and records on loan provision by gender. The proportion of SACCOS women members in the district is basically smaller compared to their male counterparts. A low level of women membership was observed in the scheme despite the fact that distance to the microcredit service has been reduced with the establishment of the scheme at the locality. Hence, this finding signifies that, in spite of the apparent efforts that advocate for grass root microcredit institutions, women's access to the service in terms of membership is not significant in the Mbeya R.D context.

During discussions, the women revealed the initial requirements for membership as unaffordable to majority of them given their levels of income that depends on subsistence income generating activities. A testimony by a SACCOS (FGD 118) member working as a school teacher revealed that it took her three months to meet the full membership status and loan eligibility. This testimony to some extent suggests that accessibility to microcredit is easier to the ones with an income base than to those belonging to low income group. Li (2010) also presents similar findings on his study on microcredit in rural China that the probability of being a microcredit borrower raises when the house is engaged in employment.

In addition, the findings reveal that majority of women do not qualify for loans because of failing to meet the business plan submission criteria that can convince the scheme regarding the potentiality of loan repayment by a member. Nevertheless it was expressed by one of the SACCOS officers that:

*“...loans are for income generating purpose. We try to avoid burdening our members with loans. We need to make sure that they take what can be generated back [...] we provide trainings to capacitate members with business formulation skills.”*

Moreover, the women said that majority of them still possess limited information on where credit offices are, what services are provided and the membership procedures. To find out how women members learnt about the scheme, most women in the focus group discussions mentioned to have heard about SACCOS through a friend and very few heard about the scheme through seminars or promotions. Some women also mentioned their unfounded fear for loans, debt ness and loosing family assets. It was also mentioned by women that their husbands play a role in opposing women (their wives) to join SACCOS as one stated that:

*“You see when we (women) bring up the issue of joining SACCOS to our husbands; they normally discourage us to become members saying there is no need for both of us to be SACCOS members.” (FGD 112).*

In relation to above, during the interview with the district cooperative officer in regard to the low level of women members in SACCOS, the response was:

*“Wanawake ni wagumu sana kuelewa” (FGD 100); which translates to “(Women are so difficult to convince).*

*“....the issue is, majority of women are still so attached to their Upatu (ROCSA) groups “(FGD 120)*

Fletschner and Kenney (2011) present a significant argument that highlights the socio cultural context those women’s lives as restrictive to women’s mobility, interactions, ability to attend trainings or receive formal education as well as women’s access to information and institutions. As a result of these constraints, rural women tend to get their information from informal networks of women, reinforcing the gender gap in access to information (2011:4).

A lower level of literacy among women is also highlighted by Fletschner and Kenney (2011) as affecting women’s ability to process information and women’s exposure. As observed by the study, the SACCOS found with higher number of female members had a significant number of its members with education levels ranging from secondary school to the tertiary level. The above

reason to a certain extent suggests that women's education background also contributes to their ability to get information and make decisions relating to joining the schemes and so be empowered in the process. A SACCOS study conducted by GTZ (2010) in Uganda links the inadequate understanding of the SACCOS institutional set-up, services, operations and benefits by women to poor promotional activities that overlook women's education background

Majority of women who are members of SACCOS in the discussion groups mentioned access to loan as the basic reason for joining microcredit. It was learnt that many of them joined the membership in order to be able to secure loan for business expansion or establishing new ones for the purpose of increasing their income. Other women intended to secure loans for consumption purposes especially to fulfill children's education demands and buying assets just to mention but a few. However, the study findings illustrate that not all of women who are members in a certain scheme are able to access loans. Only few women were capable of fulfilling credit pre conditions such as amount of shares, deposits, two guarantors and the collateral demand.

As per Kabeer (2001) increased access to "resources" is regarded as an empowerment pathway. Access to resources basically serves as a catalyst for empowerment or enabling condition under which empowerment is likely to occur (Kabeer 2001). Basing on findings regardless of the rationale or nature grassroots microcredit scheme such as SACCOS, improved access to resources as our indicator of empowerment has shown to be insignificant even in the rural context. As the findings reveal, the entry process remains cumbersome to majority of the marginalized. Hence empowerment of women remains in vain regardless of having such a catalyst close to their homesteads. The patriarchy practice continues to influence access process and so is the literacy level of women as the potential customers, the study reveals.

Consequently it was learnt that, majority of grassroots women including the ones with ordinary membership to SACCOS continue to rely on informal loaning practices especially the ROCSA called 'Upatu'. Apart from that, they also secure credit by borrowing from traders around the locality. Nevertheless, in an attempt to improve women's and other low income groups access to the service, SACCOS officers mentioned deliberate measures undertaken by their respective

offices that has involved regulation of membership and loan conditionality. For example the full membership status (in terms of shares) can also be attained by installment instead of a lump sum payment. Procedures for loans are being regulated regularly to provide equal opportunity for all members to access the loans. Non-members can also access credit in form of ‘short term loan’<sup>13</sup> service that has different loaning conditions. The SACCOS officers also mentioned that in some cases they are involving husbands in making sure their wives become members of the scheme and confident on taking the loans and repaying. This provides the prospects that eventually more women shall be enrolled and hence be able to benefit from the range of services offered especially credit.

### **BOX 5.1 Presenting Mshikamano SACCOS**

Mshikamano SACCOS is situated in Ilembo Ward which has a population of 21,820 people of which 11,742 are women. The major occupation in the area is agriculture followed by non-farm activities.

The SACCOS started in June 2004 registered as MBR 595. In 2006 Mshikamano had 533 members (129 females and 404 males). The membership base by June 2011 stood at 1,160 the number of females being 293. Membership category also includes 41 groups and 31 institutions. Four women members are in the SACCOS board which is served by a total of 11 members.

Demands for credits arise in the months of November and December for agricultural inputs. Education expenses attract credit processing in months of January, February, June, July and August each year to meet school fees demand. Petty trading activities such as mini groceries, food stalls and second hand cloth selling also require credit processing on a constant basis. Loan is provided on 3, 6 and 12 months basis at the interest rate of 2% monthly.

**Source:** Field visit (2011) and document review

## **5.4 Ways in which access to micro credit influence women’s empowerment**

Generally access to credits by women is associated with significant socio economic changes particularly reflecting change at the level of individuals and groups, their sense of selfhood and identity, how they perceive their interests and capacity to act (Kabeer 2001). In this question the

---

<sup>13</sup> The short loan service normally is normally a 24 to 48 hours service for non-member. A short term loan to members does not exceed a period of one month

empowerment of women is explored by looking at the socio economic improvements experienced by women members involved in the microcredit scheme.

Discussions with women revealed that access to credit has enabled majority of women borrowers to obtain a working capital that helped some of them to start and others to improve their petty businesses. It was expressed by women that the loan was used to engage in economic related activities that include: local brewing making, weaving, mini loan service to others by interest and agro-processing activities. As observed by the study, following a harvest period, rice processing largely becomes a significant economic activity by many women which indeed calls for supporting capital. As per discussions, the women felt the economic activities they are undertaking have established a certain level of income security, a sense of self dependency and a feeling of increased respect from others in the locality. As expressed by a participant during FGD,

*In our area (at least) every woman is busy with something (referring to income generating activity); nobody stays and waits for the husband to provide. The society especially your fellow women will look down on you [...] (FGD-113)''.*

In the Swahili version of the testimony, the Swahili word 'dharau' (translated as *look down upon*) was utilized which basically signifies the lack of recognition and respect against a person in the society. Nevertheless discussions also revealed that regardless of their access to loans from the scheme, the women were still dependent on additional credits from other sources so as to combine with the one obtained from the scheme. This is being done regularly in order to establish enough capital to undertake investment activities.

The study also found out that, the income ability among women as a result of the undertaken IGAs has empowered women to make expenditures that included contribution to the household welfare. Some of the women mentioned to have supported their husbands to meet children educational needs basically in form of a top up to the amount that was already available; the women from the Female Headed Households also acknowledged that access to credit has reduced their dependence on others in meeting children's expenses. In one of the FGDs (109) a

widow said that initially school expenses for her two children used to be taken care of by her former in laws, “ *this used to make me feel very subordinate to the family* “. She further explained that through the scheme she got capital for retail rice selling, at least now she is taking care of the education expenses for one of the children.

In terms of increasing access to productive and non-productive assets, the women mentioned to have purchased electronic items like TV and stereo radios. In all discussions none of the women mentioned to have purchased large assets such as land, motor vehicle or motor cycles as result of access to loans. It could not be established by the study if this was due to not being part of the expenditure plan or because of the meagreness of the loan size. Given that in an African context, community belongingness is an important social asset, most women felt that now their ability to frequently participate in social gatherings has improved due to the increased potential of doing material or financial contribution to social ceremonies. It was apparent from the discussion that women members who have taken loans felt that their access to loan has had a positive contribution to their overall economic wellbeing as well as the welfare of their family. This finding is basically in line with Sultana and Hasan (2010) findings from a study of BRAC in Bangladesh which concludes that when women are helped to increase their incomes, the welfare of the whole family is improved. This finding is also significant to the argument that women tend to invest in human capital more than men.

The income has therefore given women the ability to make purchases and household contributions that was previously minimal. The study hence concludes that; access to loan played a facilitative role in changing a limited financial ability of the women members. The women belonging to Female Headed Households (FHHs) especially the widows felt this was very important for continued respect from the in laws because it reduces dependence on them for children’s support. This finding is supported by Hashemi et al (1997) study of BRAC credit program in Bangladesh which also revealed that when a family realizes that a woman is a source of income, it increases her status and bargaining power in the household.

In terms of social aspect of empowerment, during discussions, the women acknowledged that their access to the scheme has given them an opportunity to attain skills in business, management

and leadership. As observed by the study SACCOS operation plan involves conducting regular training on business and entrepreneurship related skills to all its members. Such a program by the scheme can be regarded the most significant step towards empowerment, taking into account the low literacy level and the limited skills of rural women in Tanzania. Therefore their membership to the scheme establishes a potential for knowledge and skills building.

As observed by the study, the SACCOS management is composed of members of both sexes though records showed that only one SACCOS has a female member at the level of chairmanship. The women in SACCOS management acknowledged to have gained leadership experience and skills through the leadership work with the scheme. The SACCOS management is basically composed of about eleven people. In many management structures, the number of women ranges from three to four. An interview with the district officer revealed that given the level of manpower competency at the grassroots level; *“SACCOS are normally advised to incorporate capacity building activity in their annual work plans”*. The SACCOS capacity building is facilitated by the district office.

In African societies especially the pro rural ones women hardly feature in leadership positions due to the biased cultural practices that make women inactive members of the society. In relation to involvement in leadership activities some of the women felt that leadership position with the scheme has had a positive potential in promoting them for leadership in other public domains. During discussion with SACCOS 109, a female leader serving in the loan committee revealed that of recent she has been recommended for a leadership position in her church for the women’s group. She confessed that SACCOS was her first leadership experience and now she is about to undertake another leadership role.

Related to the above finding Hashemi, Schuler and Riley (1996) study of rural Bangladesh women provides empirical evidence on the impact of microcredit to the non economical aspect of women empowerment. According to the study through credit groups the women developed an identity outside of their families. Moreover they got a chance to undertake leadership roles in credit groups meeting which signifies an increased sense of self worth and confidence. In relation to Chen’s perceptual and cognitive change in women’s lives through microcredit, this

finding essentially establishes that promotion of women to leadership positions is a positive entry towards women empowerment in terms of improving women's image in the society and in enhancing their decision making abilities and prospects in other domains.

A significant indicator of empowerment of women was also noted by the study from one of the SACCOS (109) where women through the SACOSS network have teamed up as an alternative attempt to attain their economic goals. During discussions one of the women stated that,

“Some of us have been with the SACCOS for almost three years but have not received any form of loan service. The response that we keep on getting from the management is that the loan service will resume next year /.../” (FGD 109)<sup>14</sup>

In response such a situation the women have formed a women's group in form of a mini cooperative with the goal to jointly enhance their economic empowerment through collective marketing approach<sup>15</sup>. The group chairperson acknowledged that:

*“This idea originated through our trainings on entrepreneurship with SACCOS”*

Therefore as a group the women realized their capability of establishing a self-empowering initiative. In their togetherness the women have been granted by their village government a land to build a warehouse that will be used as storage for their harvest. They also undertake weekly trainings on business skills at their locality conducted by the district office. The group has also been able to secure a loan as a registered group that is utilized in the warehouse building work. Kabeer's idea of agency is well represented by this finding, given that to Kabeer the agency of women is at the center of the empowerment process. It allows women to define and achieve goals as well as the sense of power women have within themselves (Cheston and Kuhn 2002; Mosedale 2005). Hence the findings largely confirms that access to microcredit can also play

---

<sup>14</sup> This SACCOS was established in 2004. The SACCOS has not been in a position to provide loans since 2009 due to mismanagement issue that put the SACCOS into a debt with financial institutions. Hence all loan services are temporarily suspended

<sup>15</sup> In collective marketing - the women will be using their association as a market place for their agricultural products.



catalyst role in enhancing the non-economic aspect of women empowerment in this case fostering women's ability to define one's goals and act upon them.

As per (Fletschner and Kenney 2011) wide ranging studies have consistently found that improvement in women's direct access to and control over resources are associated with positive economic and social outcomes at the individual, household and community levels. The above findings reveal potential changes in women's lives as a result of access to microcredit which in this case is a catalyst for change. The findings generally reveal both the economic and social aspects of empowerment and the manner in which the empowerment has contributed in the improvement of women subordination. Basing on Kabeer's empowerment conceptualization the finding therefore to a large extent supports that expansion of people's ability in a context where this ability is denied can have positive impact towards a desired development goal. Nevertheless the results may differ across the dimension regardless of the level of change. Though it is vivid that such changes in women's lives may not be that wide, in response to this Hashemi et al (1996) study asserts that regardless of the level of women's contribution to the household even a small amount of income makes a significant difference to a family's well-being.

## **CHAPTER 6: CONCLUSION**

The context of women in developing countries including Tanzania is well established. The study's main concern was to explore the extent to which microcredit scheme especially the pro grassroots ones can contribute to the empowerment of women in terms of improved access to resources and changes in women's lives basing on the fact that this ability was previously denied. The Savings and Credit Cooperative Societies (SACCOS) in Mbeya Rural district was selected as a case study

Given that accessibility to microcredits is posited to be a catalyst to women empowerment, study findings reveal that majority of women continue to miss the empowerment opportunity through microcredit regardless of the scheme's nature. On accessibility aspect with respect to rural women, study results show that microcredit schemes are still characterised by a low membership of women; and that the women with an established income base are the ones who can easily

access the service. According to the findings institutional level factors remain the most significant barriers to the access of service by majority of rural women. Nevertheless findings of the study establish that due to the nature of rural population location grass root level microcredit continue to play a facilitative role of improving the proximity of access to financial resources to the non-urban population groups.

The study has shown that access to microcredits can facilitate both economic and non-economic changes in rural women's lives. Though change in material base is expected to generate increased self-esteem, respect, and other forms of empowerment for women beneficiaries, still majority of the borrowings by women continue to basically facilitate subsistence and consumption based activities such as establishment of petty business and meeting household level demands.

In addition, the study reveals that microcredit can also significantly contribute to the non-economic aspects of empowerment regardless of whether one has taken a loan or not. Institutional level environment such as capacity building programs within the scheme remain important in facilitating such ability to the marginalized members. The study illustrates a well-functioning women's association that has emerged out of the SACCOS capacity building activities. To conclude, though accessibility to microcredit remains unimproved to the rural women, empowerment potential remain significant. From the study, the researcher learnt that *knowledge is power*. The researcher feels that if the rate of capacity building sessions in rural based microcredit schemes increases, the potential of women empowerment through microcredit shall remain significant to both categories of women members (i.e those that qualify for credit and those that do not) and the study strongly recommends this.

## REFERENCES

- Anderson, S. & Mukesh, E. (2005). "What Determines Female Autonomy? Evidence from Bangladesh", BREAD Working Paper no. 101, Online <http://ipl.econ.duke.edu/bread/papers/working/101.pdf>  
Accessed : 2011-05-06
- Bartlett, A. (2004). *Entry points for empowerment: A report for CARE Bangladesh*.
- Baxter, P, Jack.S (2008). "Quantitative Case Study Methodology": Study Design and Implementation for Novice Researchers, The Qualitative *Report* Volume 13 Number 4 December 2008 544-559 Online <http://www.nova.edu/ssss/QR/QR13-4/baxter.pdf> Accessed 2011-12-14
- Bee, K (2007) "Rural Financial Markets in Tanzania: An analysis of Access to Financial Services In babati Manyara Region", Phd Thesis on Development Studies, University of South Africa, Online [http://www.ruralfinance.org/fileadmin/templates/rflc/documents/1225464292031\\_Rural\\_financial\\_markets\\_in\\_Tanzania.pdf](http://www.ruralfinance.org/fileadmin/templates/rflc/documents/1225464292031_Rural_financial_markets_in_Tanzania.pdf) Accessed 2012-03-15
- Banuri, S. (2006), "Impact of Microfinance on Poverty, Income Inequality and Entrepreneurship" [http://www.utdallas.edu/~banuri/sb\\_cp6\\_rd\\_microfin\\_pov\\_122006.pdf](http://www.utdallas.edu/~banuri/sb_cp6_rd_microfin_pov_122006.pdf) accessed 2012 – 6- 15
- Basu, J. P. (2006), Microfinance and Women Empowerment; An Empirical Study with special reference to West Bengal, Online [www.igidr.ac.in/.../Jyotish%20Prakash%20Basu\\_submission\\_55.pdf](http://www.igidr.ac.in/.../Jyotish%20Prakash%20Basu_submission_55.pdf) -,  
Accessed 2009-06-15
- Bryman, A. (2004). *Social Research Methods*, Oxford University Press
- Cheston,S & Kuhn, L (2002), *Empowering Women through Microfinance*, Microcredit Summit Campaign Commission paper <http://www.microcreditsummit.org/papers/empowerment.pdf> Accessed: 2011-05-06
- Mahmud.S and Chen, M (1995) "Assessing Change in Women's Lives: a Conceptual Framework". Working Paper No. 2, BRAC-ICDDR,B Joint Research Project at Matlab, Dhaka.
- DFID (2000): "Poverty elimination and the empowerment of women Strategies for achieving the international development targets". Department for International Development
- Fletschner & Kenney (2011) "*Rural women's access to financial services: credit, savings and insurance.*" ESA Working Paper No. 11-07, FAO Online <http://www.fao.org/docrep/013/am312e/am312e00.pdf> 2012-03-33

- Goetz, A.M. and R. Sen Gupta (1996). 'Who Takes The Credit? Gender, Power and Control over Loan Use in Rural Credit Programs in Bangladesh'. *World Development*, Vol 24 No 1 pp45-63
- GTZ (2010). A study on promoting women's participation in SACCOS A Case of 8 SACCOs supported by GTZ FSD Programme German Technical Cooperation Uganda Online <https://www.gtz.de/de/dokumente/gtz2010-en-fsd-gender-in-saccos.pdf> accessed 2011-12-16
- Garikipati, S. (2006). "The impact of lending to women on household vulnerability and women's empowerment." Evidence from India. Research Paper Series no. 2006/25, Management School, University of Liverpool
- Hashemi, S, Schuler, S. and Riley, A (1996). Rural Credit Programs and Women's Empowerment in Bangladesh, *World Development*, Vol. 24, No. 4, pp. 635-653, 1996
- Hoque, M. and Itohara, Y. (2009), "Women Empowerment through Participation in Micro-Credit Programme: A Case Study from Bangladesh", *Journal of Social Sciences* 5(3): 244-250, 2009 ISSN 1549-3652, Science Publications.
- IFAD (2008a). "Local Livelihood Programme," Nepal, IFAD Grant 824, Mid Term Review, Final Report. International Labor Organization (2007), *Small change, Big changes: Women and Microfinance*, International Labor Organization
- Johnson, S. (2004). "The Impact of Microfinance Institutions in Local Financial Markets: A Case Study from Kenya", *Journal of International Development* 16(3): 501.
- Kabeer, N. (2001). *Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment*, in *Discussing Women's Empowerment- Theory and Practice*, Sida studies no. 3, Stockholm.
- Kabeer, N. (2005) "Gender equality and women's empowerment: a critical analysis of the third Millennium Development Goal 1", *Gender and Development* Vol. 13(1), March 2005
- Karubi, N. (2006). "Development, Micro-credit and Women's Empowerment: A Case Study of Market and Rural Women in Southern Nigeria". A Thesis submitted in fulfillment of the Requirements for the Degree of Doctor of Philosophy in Sociology, the University of Canterbury Online [http://ir.canterbury.ac.nz/bitstream/10092/958/1/thesis\\_fulltext.pdf](http://ir.canterbury.ac.nz/bitstream/10092/958/1/thesis_fulltext.pdf) Accessed 2012 -02 - 23
- Kulkarni, V. S. (2011). "Women's empowerment and microfinance": An Asian perspective study, International Fund for Agricultural Development (IFAD).

- Li. X (2010). “An empirical Analysis of Microcredit on China Rural Households”. A thesis submitted in partial fulfillment of the requirements for the Degree of Doctor of Philosophy in Finance, Lincoln University Online [http://researcharchive.lincoln.ac.nz/dspace/bitstream/10182/2668/3/li\\_phd.pdf](http://researcharchive.lincoln.ac.nz/dspace/bitstream/10182/2668/3/li_phd.pdf) Accessed 2012-05-19
- Li, X, Gan, G and Hu, B (2011). The impact of microcredit on women's empowerment: Evidence from China Journal of Chinese Economic and Business Studies Vol. 9, No. 3, August 2011, 239–261
- Losindilo et al (2010). *Some Factors That Hinder Women Participation in Social, Political and Economic Activities in Tanzania*, Online Publication, Arts and Social Sciences Journal, Volume 2010: ASSJ-4
- Lwakatare; Paper prepared for The Third Annual Conference on Microfinance held from 15<sup>th</sup> to 17<sup>th</sup> March 2004 at the AICC, Arusha, Online <http://www.bot-tz.org/mfi/Library/InnovationInRuralMFIinTZ.pdf> Accessed 2012-1-28
- Mahmud, S. (2002). Actually how Empowering is Microcredit Online <http://portal.ku.edu.tr/~dyukseker/mahmud-microcredit.pdf> Accessed 2011-11-26
- Makombe, et al (1999). “Credit Schemes and Women’s Empowerment for Poverty Alleviation”. The Case Study of Tanga Region. REPOA, Dar es Salaam, Tanzania.
- Mason, K. O. (2003). Measuring Empowerment: A Social Demographer’s View, World Bank
- May, Tim (1993). *Social Research: Issues, Methods and Process*, Open University Press, Buckingham
- May, Tim (ed) (2002). *Qualitative Research In Action*, London, Sage
- Mayoux, L. (1995a). “From Vicious to Virtuous Circles? Gender and Micro-Enterprise Development”, UNRISD Occasional Paper No.3, Geneva
- Mayoux (2000). Micro-finance and the empowerment of women: A review of the key issues
- Mayoux, L (2005) *Micro-finance and the empowerment of women — A review of the key issues* Online [www.microcreditsummit.org/papers/empowerment.pdf](http://www.microcreditsummit.org/papers/empowerment.pdf) , Accessed 2011-09-18
- Mikkelsen, Britha (2005). *Methods for Development Work and Research*, Sage Publication
- Nathan, O, Banga, M, and Ashie, M (2004). *Microfinance and Poverty Reduction in Uganda: Achievements and challenges*. Research Series no 41, EPRC, Uganda . Online [http://www.eprc.or.ug/pdf\\_files/researchseries/series41.pdf](http://www.eprc.or.ug/pdf_files/researchseries/series41.pdf) Accessed on 2011-2-14

Noreen, S. (2011). Role of Microfinance In Empowerment Of Female Population Of Bahawalpur District, *International Conference on Economics and Finance Research IPEDR vol.4*

Pitt. M. and Khandker S.R. (1996). "Household and Intra household Impacts of the Grameen Bank and Similar Targeted Credit Programs in Bangladesh", World Bank Discussion Paper 320, Washington, D.C

Pitt, M. Khandker, S. Choudhury, O. and Millimet, D. (2003). "Credit Programs for the Poor and the Health Status of Children in Rural Bangladesh", *International Economic Review*, February 2003.

Rahman, Aminur. (1999). Micro-credit Initiatives for Equitable and Sustainable Development: Who Pays? *World Development* Vol. 27, No. 1, pp. 67-82, 1999

Randhawa.B and Gallado. J (2003): Microfinance Regulation in Tanzania: *Implications for Development and Performance of the Industry, The Africa Region Working Paper Series, World Bank*

Rowlands, J. (1997). *Questioning empowerment: Working with women in Honduras*.Oxford: Oxfam UK and Ireland.

SCCULT (2012): SACCOS DATA: country overview, Dar es Salaam Office, Tanzania

Sultana.S and Hasan, S (2010). Impact of Micro-Credit on Economic Empowerment of Rural Women, *The Agriculturists* 8(2): 43-49 (2010) A Scientific Journal of Krishi Foundation

Swope, Tessie (2010). "Microfinance and Poverty Alleviation," *Rollins Undergraduate Research Journal*: Vol. 2: Iss. 1, Article 9. Online : <http://scholarship.rollins.edu/rurj/vol2/iss1/9>

URT (2011) Programme Completion Report for the Rural and Financial Services Programme, Prime Minister's Office, Tanzania

United Republic of Tanzania (2002) *Policy on Cooperative Development*

URT (2005). A country Report on the Implementation of the Beijing Platform for Action and Outcome Document of the twenty third special session of the General Assemebly Beijing+ 10 Ministry of Communtoty Development Gender and Children

United Republic of Tanzania (1992) *Policy on Women Development*

United Republic of Tanzania (2002) *National Microfinance Policy*

*United Republic of Tanzania (2005) National Strategy for Gender Development*

United Republic of Tanzania (2010) *Tanzania Gender Indicators Booklet 2010*: Ministry of Finance and Economic Affairs, Poverty Eradication and Economic Empowerment Division, REPOA

Swain,R and Wallentin, F (2008). “Economic or Non-Economic Factors – What Empowers Women?” Working Paper 2008:11 *Department of Economics*, Uppsala University

Wangwe, Samwel. (2004). “Innovation in Rural Finance Tanzanian:” in collaboration with Maureen Wrenn, E. (2005), Micro Finance Literature Review, Milan Shrestha, *Report on Self-help Banking Program and Women’s Empowerment* (Nepal, 1998).

Yin, Robert (2003): *Case Study Research: Design and Methods*, Thousands Oaks, Sage (166)

**Other sources (internet):**

Blackwell n.d *Introduction to Qualitative research*

[http://www.blackwellpublishing.com/content/BPL/Images/Content\\_store/Sample\\_chapter/9780632052844/001-025%5B1%5D.pdf](http://www.blackwellpublishing.com/content/BPL/Images/Content_store/Sample_chapter/9780632052844/001-025%5B1%5D.pdf) accessed 2011-12-14

UN (2001): Topic 1: Poverty in a globalizing world at different stages of women’s life cycle “Globalization, Poverty and Women’s Empowerment” World Bank

Macha.J and Mdoe.M (2002) “Gender and Rural Poverty in Tanzania: Case of Selected Villages in Morogoro Rural and Kilosa Districts”, LADDER Working Paper No.18 Online [http://www.uea.ac.uk/polopoly\\_fs/1.1004!wp18.pdf](http://www.uea.ac.uk/polopoly_fs/1.1004!wp18.pdf) Accessed 2012 – 05 -9

Triodos-Facet (2007). Tanzania Country Scan microfinance for Hivos/Microned

------(2011) Tanzania Country Scan microfinance for Hivos/Microned

Cheston and Kuhn (1975) Empowering Women Through Microfinance

Online <http://www.microcreditsummit.org/papers/empowerment.pdf> Accessed 2011-10-13

## APPENDICES

### Appendix I - Interview and Group Discussions Guide

#### Women Members

1. A question to explore livelihood activities of women and key economic activities in the area?
2. How did you hear about the SACCOS?
3. What were your reasons for joining SACCOS?
4. What made you join SACCOS instead of other institutions like Finca or Pride?
5. What have been your other sources when need for additional income arises?
6. What are your views on SACCOS procedures on membership and loan taking? (If easy or not easy to meet on time; and why?)
7. What factors do you think still impede women's membership to SACCOS?
8. Apart from financial aspect, are there any skills and knowledge that you feel to have gained through SACCOS membership?
9. Do you think your membership to SACCOS has facilitated your economic welfare and material ownership such as IGAs, assets accumulation? (Yes/No) explain
10. Do you think your membership to SACCOS has helped to improve your status in the community and the way people perceive you? (Yes/No) explain
11. Do you think your membership to SACCOS has improved your status within the household with your family and other relatives?

#### SACCOS Leaders

1. A first question: to explore the membership base as well as loan taking records
2. What membership requirements are involved?
3. What are the loan taking requirements and regulations?
4. What factors do you think influence women's accessibility to microcredit service?
5. What are the categories of loans available?
6. What does the scheme undertake as strategies to facilitate proper use of credit taken by the members?
7. What non-financial services can members access from the scheme?



8. Are there different rules for women with regard to membership, loan taking and repayment? As a way of facilitating the women empowerment goal?
9. In what way does the management try to promote women participation in the service?
10. Given the rural women context, what changes in women's lives can you say as to have been attained from their access to microcredit?

#### Appendix II: Outline of Interviewees

Category	SACCOS / Office	Number of respondents
<b>Focus Group Discussion with Women members</b>	Mshikamano SACCOS – Ilembo Ward	6
	Muongano SACCOS – Mshewe Ward	14
	Nuru SACCOS - Inyala	7
	Juhudi SACCOS -	5
	Kumekucha SACCOS – Songwe Ward	4
<b>One to One Interviews with SACCOS leaders</b>	Mshikamano SACCOS	Manager
		Board member
	Muungano SACCOS	Secretary
		Loan Officer
	Nuru SACCOS	Loan Officer
	Juhudi	-
Kumekucha	Board member	
<b>One to One Interviews with District Officials (Mbeya Rural District)</b>	Afisa Biashara/Trade officer	1
	District Cooperative Officers	2
	Regional Cooperative Officer	1

**Appendix III : Selected SACCOS membership base (2011)**

<b>Name of SACCOS</b>	<b>Membership by (2011)</b>	<b>Female</b>	<b>Male</b>
<i>MSHIKAMANO</i>	September	293	795
<i>JIENDELEZE</i>	August	190	288
<i>KUMEKUCHA</i>	Sept	267	239
<i>JUHUDI IJOMBE</i>	June	131	225
<i>NURU</i>	December	252	93
<i>SWAYA</i>	Sept	162	337
<i>TUNAU</i>	March	138	213
<i>AMKENI</i>	June	39	115
<i>IWIJI</i>	September	82	168
<i>UMOJA</i>			
<i>TUNAU</i>	March	138	213
<i>MUUNGANO</i>			
<i>Total</i>		<b>1692</b>	<b>2686</b>

**Source: Mbeya Rural District Register (2011)**

#### **Annex IV: CHEN's Empowerment Framework**

In assessing changes in women's lives, based on their work with low-income women in Bangladesh Mahmud and Chen developed a framework that postulate four pathways through which women experience change.

- i. Material empowerment occurs through expansion in the material resource base of women.
- ii. Cognitive empowerment occurs from women's recognition of their own abilities and skills, indicated by greater self-esteem and self-confidence.
- iii. Perceptual empowerment occurs through changes in how others perceive them, indicated by increased social prestige and value.
- iv. Relational empowerment takes place through changes in gender relations within the family and the broader society, indicated by reduction in gender inequality in relationships (Mahmud 1995, Mahmud 2002)