CHALLENGES OF MICRO-FINANCE INSTITUTIONS TOWARDS WOMEN EMPOWERMENT IN KILIMANJARO REGION TANZANIA

(A Case study of Moshi Municipality)

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(A Case study of Moshi Municipality)

By

Stella E. Kyara.

A Research Submitted in Partial/Fulfillment of the Requirements for Award of the Degree of Master of Development Policy of Mzumbe University

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled the 'Challenges of micro-finance institutions towards women empowerment a Case Study of Moshi Municipality; in partial fulfillment of the requirements for award of the degree of Master of Science in Development Policy of Mzumbe University.

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Major Supervisor

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Internal Examiner

Accepted for the Board of...

DIRECTOR, INSTITUTE OF DEVELOPMENT STUDIES

DECLARATION

AND

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I, **STELLA ELIBARIKI KYARA**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature ___________________________________

Date ___________________________________

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DEDICATION

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ABBREVIATIONS

ACB	-	Akiba Commercial Bank
CGAP	-	Consultative Group to Assist the Poor
CRDB	-	Co-operative and Rural Development Bank
DCB	-	Dar es Salaam Community Bank
DP	-	Development Policy
FINCA	-	Foundation for International Community Assistance
GDP	-	Gross Domestic Product
KCB	-	Kilimanjaro Cooperative Bank
MEO	-	Mtaa Executive Officer
MFI	-	Micro Finance Institution
MUCOBA	-	Mufindi community bank
NGO	-	Non Governmental Organization
NMB	-	National Micro-finance Bank
PRIDE	-	Promotion of Rural Initiatives and Development Enterprises
PTF	-	Presidential Trust Funds
SACCOS	-	Savings and Credit Co-operative Societies
SCCULT	-	Savings and Credit Cooperative Union League of Tanzania
SEDA	-	Small Enterprise Development Agency
SIDO	-	Small Industries Development Organization
SPSS	-	Statistical Package for Social Sciences
TAMFI	-	Tanzania Association of micro-finance
URT	-	United Republic Of Tanzania
VICCOBA	-	Village Community Bank
WEO	-	Ward Executive Officer
YOSEFO	-	Youth Self Employment Foundation

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ABSTRACT

The study identified the challenges that micro-finance institutions faces in the process of empowering women in Moshi Municipality. The specific objectives of the study are; exploring the causes for challenges of micro-finance institutions, assessing the strength and opportunities found in Moshi Municipality for women empowerment, and lastly suggesting possible solutions to alleviate challenges that face micro-finance institutions in Moshi Municipality.

The study adopted a case study design. Random sampling and purposive sampling were used to a total number of 70 respondents who were customers and staffs of micro-finance, and Municipal officials who were dealing with microfinance. Data collection for this study employed different methods such as questionnaires, interviews, observation and focused group discussion.

With respect to the objectives the findings revealed several challenges, causes of the challenges and pointed strength and opportunities found in Moshi municipality which are; poor repayment, politics, delay of funds, bureaucracy, corruption, unfaithful staffs, and unfaithful customers. Causes for the challenges are poor management in the organizations, economic depression, and inflation. And lastly strengths and opportunities to empower women in Moshi Municipality pointed out are; availability of financial institutions, availability of funds, the area being in town where business can possibily flow due to the availability of good infrastructures, and availability of entrepreneurship education to the customers that gives them a wide knowledge of operating business and skills to manage funds they raise.

Basing on the findings it was recommended that, there should be multiple ways to help in alleviating the experienced challenges which includes, design of suggestion box, trainings should be conducted for capacity building to customers, there should be a visit to customers' business for evaluation to see if they meet standards that can help them lend more money, lastly, financial management education should be provided to SACCOS board members and there should be more cooperative officers to support organizations in training, auditing and advise to the existing SACCOS.

CHAPTER ONE

1.0 Introduction

This chapter describes the background information, the problem statement, research objectives, research questions, scope of the study, and significance of the study.

1.1 Background Information

Different people have expressed the concept of micro-finance in a number of ways, but all have pointed out key issue. These are the institutions that aim at providing credential, financial or banking related services that are in the form of micro loan to the poor people who are self-employed and lack financial or banking services due to their low income status (Noreen 2011; Surumathi & Mohan, 2011).

Micro-finance started as micro credit in early 1700s when an Irishman Jonathan Swift developed banking system that would serve people in Ireland, who were not served by commercial banks due to hard conditions set by the commercial banks. Irish loan fund that was developed by Jonathan expanded globally and by 1800's over 20%of the Irish population was served by the bank. Rapidly the bank system also expanded across Europe targeting the rural poor. In 1864 Friedrish Wilhelm Rainffeisen established a new lending system that would enable the poor to create wealth; this system was owned by the members providing reasonable lending rates (Epistein, 2007).

After the spread of the micro-finance In 1900s in the village of Joba in Bangladesh Mohamed Yunus established Grameen Bank and it spread around the global from Asia to Africa and the Americas specifically in Latin America. The Micro-finance services were directed to support poor or marginalized women in rural areas who lacked credential facilities to meet their needs and their families or operate any business and reduce the existing poverty as explained by Yunus (1999) and Milinga (2012)

1.2 Micro-finance in Tanzania

In the context of Tanzania, Micro-finance institutions started in 1985, thereafter the Government introduced Presidential Trust Fund (PTF) in 1990's. The Bank of Tanzania started specialized banks, these were community and cooperative banks, and their examples are like Kilimanjaro Cooperative Bank (KCB), Mufindi community bank (MUCOBA) and Kagera cooperative bank. According to Milinga (2012) and Kore (2005), Akiba Commercial Bank was the first commercial Bank to enter in Micro-finance, following the introduction of Presidential Trust Funds and rise of some MFIs like Promotion of Rural Initiatives and Development Enterprises (PRIDE) and Foundation of International community Assistance (FINCA). After the rise of some MFIs in 2001, National Micro-finance Policy was established to enhance effective and efficiency micro-finance system that serve the low income people in society. After the establishment of the policy, many banks and other organizations are involving themselves in providing micro-loans to the poor people, these institutions includes National Micro-finance Bank (NMB), Co-operative and Rural Development Bank (CRDB), Foundation of International Community Assistance (FINCA), Promotion of Rural Initiatives and Development Enterprises (PRIDE) and Small Enterprise Development Agency Small Enterprise Development Agency (SEDA). (Millinga, 2012; Kore, 2005).

From the history of Micro-finance in Tanzania, currently there are over fifty (50) registered MFIs operating under the guidance of National Micro-finance Policy of 2000, the Cooperative Development Policy of 2002, the Cooperative Societies Act of 2003, the Cooperative Societies Regulations of 2004, and Micro-finance Regulations of 2005. As cited in Amina (2011), the micro-finance's overall performance appeared to be poor as some of the institutions were evaluated in Arusha, Morogoro, Mbeya, and Zanzibar. The results showed that, the performance was poor due to factors like poor organizational structures, low repayment rates, and dependency on donor funds. They also lack participatory ownership, but all in all, the micro-finance was noted to provide services more in urban areas were business operates more than in rural areas (ibid.).

1.3 Statement of the problem

Micro-finance is an institution that serves low income people who cannot access the banking services with the aim of empowering poor people in the community who lack credential facilities. In Tanzania, the majority of these people are found in the rural areas, some are found in urban areas and they are served by these institutions. Although history of micro-finance in Tanzania is of more than ten years, still the operations toward empowerment of the poor ones are not efficient. This is due to several factors as pointed out by former researchers. Jeyanth (2003) reported that the operations of micro-finance services that can empower women and get them out of poverty is not an easy task as micro-finance institutions faces many challenges which affects its long term operations and financial sustainability. Also Selejio and Mduma (2005), Nelson and De Bruijn (2005) pointed out that although there are some achievements in micro-finance institutions in Tanzania, there are still several weaknesses pertaining to kind of customers, coverage, quality of services, organizational structure, lending procedures and interest rates.

Due to all these issues raised by some researchers about micro-finance operations with its goals towards empowering women, the researcher found a great need to find out in the process what are the challenges facing these institutions specifically in Moshi Municipality towards women empowerment and come out with suggestion(s) on how to manage challenge(s) that lead to failure of micro-finance institutions in their operations. Therefore, the aim of the study was to assess the challenges that Micro-finance Institutions faced in efforts to empowering in Moshi Municipality in Tanzania.

1.4 Objective of the Study

1.4.1 General Objective of the Study

The general objective is to identify challenges facing Micro-Finance Institutions In women empowerment.

1.4.2 Specific Objectives

- To explore Causes of challenges facing Micro-finance institutions towards women empowerment.
- To assess the strength and opportunities found in Moshi Municipality for women empowerment.
- To suggest possible solution(s) to alleviate challenge(s) that face Micro-finance Institutions in efforts to empower women in Moshi Municipality.

1.4.3 Research Questions

- What are the challenges facing Micro-finance Institutions in Moshi Municipality?
- What are the opportunities and strengths available for empowering women in Moshi Municipality?
- What are the suitable solutions that can solve the challenges faced by Micro-finance Institutions in Moshi Municipality?

1.5 Significance of the Study

The study added to a body of knowledge and understanding of the challenges facing micro-finance institutions for empowering women. The policy maker has a lesson to learn in developing measures to control the situation. To individuals and institutions providing micro-finance services have a chance to learn and set new strategies of operating their institutions sustainably while focusing on goals of empowering women, focusing on the observed challenges and suggested ways to address the challenges. However, the study is compulsory requirement for attaining the Master of Science degree in Development Policy (DP).

1.6 Scope of the Study

The study had cover only two (2) wards among twenty one wards (21) in Moshi Municipality whereby these wards consisted of large population of community members who involve themselves in lending loans from micro-finance institutions around the Municipality.

CHAPTER TWO

LITERATURE REVIEW

In this part, various related concepts, theories and empirical literature from both developed and developing countries have been reviewed.

2.2 Theoretical Literature Review

2.2.1 Keynes Theory

In Keynes theory the operations of micro-finance institutions and stability in providing loans or credentials to the people and imparting them with the knowledge of entrepreneurship will help in establishment of self employment to many people especially the marginalized ones who lack the credential facilities, Keynes (1936) developed consumption based Absolute Income Theory during the time of Great Depression in 1936. He explained that deficiency is total demand that might be a result of customer saving, inadequate business investment or insufficient government spending, so if one does not spend will leave goods unsold and production capacities unused, the same applies to the government if it does not spend money it will fail to produce employment opportunities, and the man power will be unused.

In classical theory of employment, it is argued that the wage is equal to the marginal product of labour, this implies that the payment that a person earns is equal to the value which will be lost if the employment were to be reduced by one unit. Moreover, Keynes (1936) in the work of **"General Theory of Employment"**; they argue that private sector should be stabilized through the use of economic policy in order to stimulate the economy during the time of depression, and hold it back in boom. That is why the challenges for micro-finance institutions towards financial service deliver to empower women are searched so as to be aware and propose the proper solution to solve out the problem in order to stabilize the institution to be able to serve poor people as depression have been as part of their lives in all times so they need to get out of this stressed situation.

2.2.2 Monetary Theory

The Monetary theory is demand side theory, it stress the role of money in financing total demand. Monetary theorists like Friedman 1974 and Modigliani 1974 argued that that the exactly amount of money is vital in order to shift the total demand curve into the desired position. Money and credit affect the living standard of households through employment, change in price level, and the amount of money for households to be able to buy goods and services. The more extreme monetarists attribute the macro failure and success to the supply of money; they kept on saying that, the economy will tend to stabilize at full employment Gross Domestic Product (GDP). Thus only price level will be affected by changes in money supply and resulting shifts in aggregate demand Rogers (2008)

Previous works on impact of the monetary policy on household living standard of the poor is provided by. Rommer, C and Rommer, D (1998). In their book "Monetary Policy and the wellbeing of the poor", they proposed that monetary policy can affect the welfare the poor in both short and long run. Their major focus is when the economy is in recession. They assert that expansion expansionary monetary policy in the short run will rise output and inflation and affect the wellbeing of the poor and it is open that the poor ones suffers at all time when there is inflation or neither they suffer most for they cannot afford to use the small amount they have to meet their needs for only those who own big capital will access the needs fully.

2.3 Empirical Literature Review

2.3.1 The concept of micro-finance and empowerment

Sarumathi and Mohan (2011) expressed the concept of Micro-finance as the provision of financial services to low-income clients, these are consumers and the self-employed people who lacked access to banking and financial related services such as savings, credits, and insurance. Also the United Nation (2005) defines micro-finance as basic financial services, like credit, savings and insurance, which give people an opportunity to borrow, save, invest and protect their families against risk.

The Micro-finance institutions formerly were placed to finance small scale micro-enterprises and local economic activities which were excluded from formal finance and mainstream banking systems. However, in Sub-Saharan Africa, micro-finance is not widespread and still the low income earners, mostly those who are marginalized, cannot access financial services. (Consultative Group to Assist the Poor (CGAP), 2009; Spencer & Wood, 2005; World Bank, 2009).

2.3.2 Types of Micro-finance Institutions in Tanzania

There are several types of micro-finance institutions and they depend on structures, functions and philosophy, mostly the micro-finance services are divided based on kind of customers involved such as micro-enterprises, women, and agriculturalists (Baumann, 2001). Some studies revealed that, there are three main categories of micro-finance institutions in Tanzania. These include non-governmental organizations (NGOs) like PRIDE-TZ, FINCA and SEDA. Secondly, banking institutions that provides micro-finance services include, NMB), CRDB and Akiba Commercial Bank (ACB). Also regional and community banks, such as Dar es Salaam Community Bank (DCB), Mwanga Community Bank, Mufindi Community bank, Kilimanjaro Cooperative Bank, Mbinga Community Bank and Kagera Cooperative Bank. Lastly, cooperative based institutions Savings and Credit Cooperative Societies (SACCOS) and SACCAS), which are not regulated by the Bank of Tanzania, provide financial services that are predominately savings based. Examples include Small Industries Development Organization (SIDO), Youth Self Employment Foundation (YOSEFO), and the Zanzibar based Women Development Trust Fund. (Tanzania Association of Micro-finance, MF Transparency**,**2011**)**

However in understanding the concept of empowerment some scholars defined the term empowerment in their own ways. Key issues about empowerment were considered that it is the expansion of abilities of poor one that were denied, are then given opportunities to be used or exercise them to make life choices on matters affecting their lives. Narayan (2005) defined empowerment as the expansion of assets and capabilities of poor people to participate in, negotiate with influence, control, and hold accountable institution that affects their lives. Kabeer (1999) explained empowerment as “the expansion in people’s ability to make strategic life choices in a context where this ability was previously denied to them”.

2.3.3 How does access to micro-finance services empower women?

Women are central part of any society; they are supposed to be involved in family decision making in all ways and in economic activities as well. Currently women participation in economic activities that help them to earn income is very low. Micro-finance has emerged as a powerful means to self-empower the poor women mostly the ones who are in developing countries. Seventy percent of world’s women are poor; they do not have access to credential facilities. The introduction of micro-finance activities can help them to step out of poverty and support their families (Noreen, 2011) Therefore, micro-finance institutions should target women who are commonly marginalized group in our African tradition. As Micro-finance is a critical tool to empower women from poor household.

When women have confidence of borrowing, saving and earn income, they become strong and have abilities to fight against gender inequalities. Some studies from different countries in the world reveal the empowerment of women that appeared in different forms: CGAP (2002) report pointed out that In Indonesia, female customers of micro-finance institutions are more likely able than non-clients to make joint decisions with their husbands concerning all family matters like allocation of household funds, children’s education, use of contraceptives and number of children that they will need to have. In Nepal women who are in micro credit activities have also shown progress and have a large opportunity to participate in all house hold decisions concerning their lives and their children. Likewise in Bangladesh, Bolivia, Philippines and Russia, females involve themselves in micro-finance activities run for election for leadership in local government and they won (ibid.).

Despite of some achievements of Micro-finance institutions, there are several constrains that are found in the organization as expressed by some researchers such as high costs of operating environment in Africa context, weak and expensive infrastructure, high labour costs which results to high operational expenses mostly in rural areas, scarcity of skilled manpower at all levels: loan officer, middle management, and leadership, The growth in competition, poaching of staff, insufficient training and rising salaries make human resources one of the most intractable problems in the sector (Mariama, 2007).

A study conducted by Chijoriga in 2000 which evaluated the performance and financial sustainability of MFIs in Tanzania. In terms of the overall institutional and organizational strength, client outreach, operational and financial performance. In the study included 28 MFIs and 194 SMEs which were randomly selected and visited in Dar-es-Salam, Arusha, Morogoro, Mbeya and Zanzibar regions. The findings revealed that, the overall performance of MFIs in Tanzania is poor and only few of them have clear objectives, or strong organizational structure. Also it was observed that MFIs in Tanzania lack participatory ownership and many were donor driven. Employee noticed to lack capacity in credit management and business skills (Amina, 2011)

2.3.4 Institutional Frame work

In Tanzania there are two top bodies for micro-finance industry, which are: Tanzania Micro-finance Association (TAMFI) and Savings and Credit Cooperative Union League of Tanzania (SCCULT). In 2009 alliance between Tanzania Association of Micro-finance (TAMFI) and Tanzania Micro-finance Practitioners and Service Providers existed. Later the resolution and reorganization of the institution took place and one body that would accommodate interests of the two institutions was formed on July 27th, 2010 which is now TAMFI (Milinga, 2012)

2.3.5 Regulatory and Legal Environment for Micro-finance and Empowerment.

There are several legal frameworks that govern and regulate micro-finance service delivery in Tanzania; some of them include National Micro-finance Policy of 2000, the cooperative Development Policy of 2002, the cooperative Societies Act of 2003, the cooperative Societies Regulations of 2004, the National Economic Empowerment Policy of 2004 and Micro-finance Regulations of 2005 (ibid)

2.3.6 National Micro-finance Policy

National Micro Finance Policy was approved in 2000 and launched in 2001 with the main objectives of establishing a basis for the evolution of an efficient and effective micro financial system in the country, which would serve the low-income segment of society, and thereby contributing to economic growth and reducing poverty. The policy focuses on providing financial services to households, small holder farmers, and small and micro-enterprises in rural as well as in the urban places. It covers a range of financial services, including savings, credit and payment (URT, 2001). Thereafter the Micro-finance Regulations were introduced in 2005 with the aim of regulating the operations of the Micro-finance policy and defining clearly how the operations have to take place (URT, 2005)

2.3.7 The National Economic Empowerment Policy 2004

The National Economic Empowerment Policy is enforced under the National Empowerment Act of 2004. The policy aims at providing general guidelines which will ensure that the majority of citizens of Tanzania have access to opportunities to participate effectively in economic activities in all sectors of the economy (URT, 2004)

2.4 Profile of Area of research Moshi Municipality

2.4.1 Geographical Setting

2.4.1.1 Location

Moshi Municipality is located on fertile southern slopes of Mt. Kilimanjaro. It lies approximately $3^0$18’ South of Equator and $27^0$20’ East of the Greenwich. It generally slopes progressively from an altitude of 950 metres above sea level in the North to 700 metres above sea level in the South. The town is virtually divided into three unequal parts by two permanent rivers: Rau to the East and Karanga to the West while Kiladeda forms the western boundary. Not much exists in terms of the natural vegetation of forests and savannah grass except a few scattered trees, scrubs and grass cover on areas abutting rivers and rivulets since a big part of the municipality was originally settler farms. However, there was Rau Forest Reserve to the Southeast, part of which falls within the municipal boundaries (SMP, 2008)

2.4.1.2 Climate

The mean annual temperature is 25^0C; the coldest month being July with an average of 17^0C and the warmest month is December with an average of 34^0C. It receives two rainy seasons. Because of its relatively higher altitude, Moshi Municipality has a somewhat moderate climate despite being only $3^0 18^{'}$ South of Equator and $37^0$20’ East of the Greenwich. The Municipality receives short rains from October to December and long rains from March to May with an annual total rainfall of average 550mm. Severe droughts and serious storm water floods have been recorded in recent years. Records of humidity and winds are readily available (SMP, 2008)

2.4.1.3 Characteristics of Industry

Most of the large and small-scale industries were located in Njoro, Bondeni, Karanga, Rau, Pasua and Kaloleni wards. The closure of government controlled industries had had adverse effect on the Municipality in terms of declining employment and Gross Domestic Product. Tanzania Investment Centre and TCCIA were creating conducive environment for expanding industrial development. The large scale industries mainly produced products that were consumed within the country; there were a few industries that did export business. Some of the large scale industries are shown in Table 2.2. (SMP, 2008)

Table 2.1 Large scale industries in Moshi Municipality and activity

Name of Industry	**Product**
Moshi Textiles	Textile products
Bonite Bottlers	Beverages
Serengeti Breweries	Malt
Kibo Match group	Matches
Tanzania Breweries malting Plant	Malt
Rajinder Garages	Car repair
Kilimanjaro Tyre traders	Repairing Tyres
Moshi Leather Industry	Leather
Tanganyika Coffee Curing	Cured Coffee
Builders & Limeworks. Co. Ltd	Lime
China Pulp	Pulp and Paper

Source: Moshi Municipality, 2008

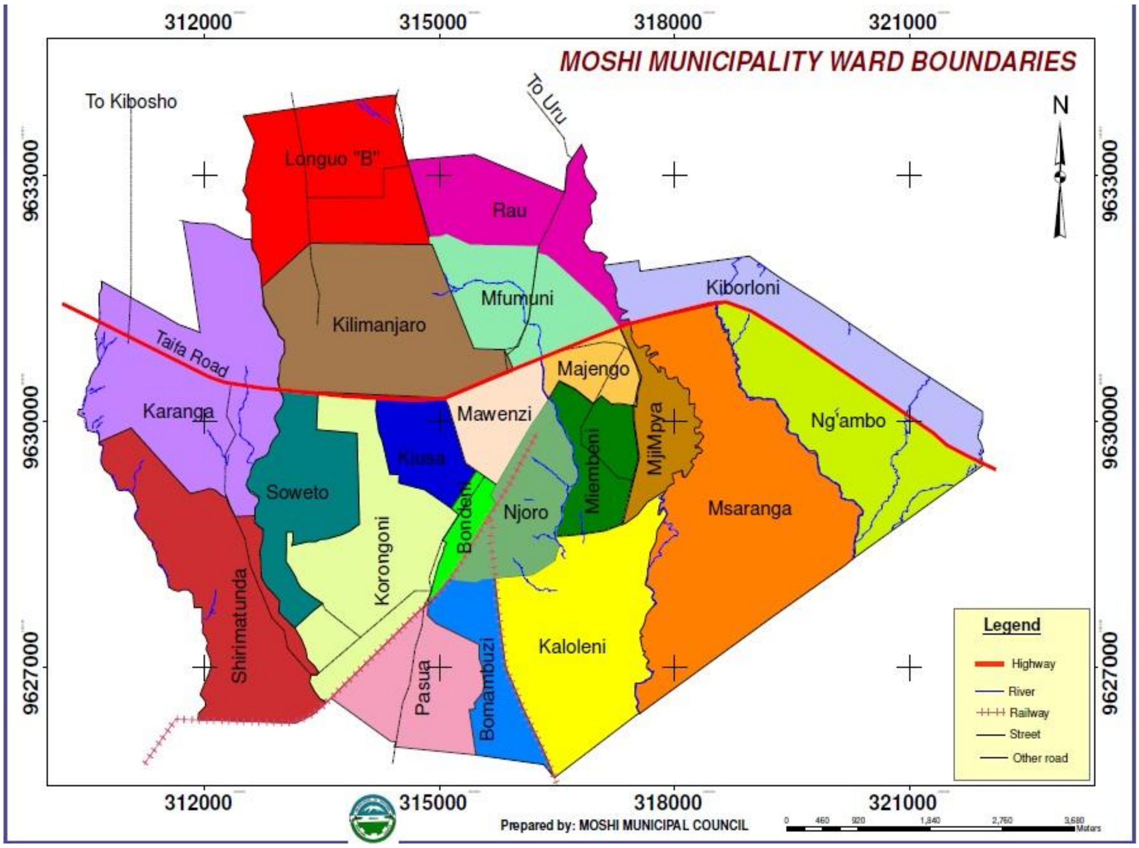


Figure 2.1 Map of Moshi Municipality

Source: Moshi Municipal, 2013

2.5 Profile of the visited Micro-finance Institutions in Moshi Municipality

Five Micro-finance institutions were visited in Moshi Municipality which included: BRAC Tanzania Finance Limited, Opportunity Tanzania Limited, and Foundation for International Community Assistance (FINCA) Tanzania Limited, VICOBA no 10 and SACCOS. Each institution gave out a simple description of the organization location, its headquarters, founder, kind of services provided, kind of customers served, funding sources, number of staffs, interest rates and how dispersed the organization was in the country.

2.5.1 Opportunity Tanzania Limited

Beginning with Opportunity Tanzania Limited, it is an international organization that that internationally operates in countries like USA, Australia, Germany, United Kingdom, and Canada, nationally in Tanzania the organization set its foots in Dar es salaam in 2008 and currently it has five branches around Tanzania one at Ilala in Dar es salaam, another one in Arusha, other one at Tengeru, one at Himo and the last one in Moshi Municipality. Opportunity Limited in Moshi Municipality begun its operations in 2010; it composed of 17 staffs who dedicated themselves in supplying the people of Moshi with loan to empower them financially.

The organization is serving both men and women different from other organizations that has centered to empower only women, about 80% of customers served by Opportunity Tanzania Limited are women, only 20% is made up of men women seem to be targeted much and according to the organization data one point five billion Tanzanian shillings have been supplied to women as loan. Apart from financial services the organization also offers entrepreneurship education to the customers so that they may be able to utilize well the funds that they are given. Health education and civic education is also provided to the customers to make them understand well their health and their responsibilities as Tanzania citizens.

Opportunity Tanzania Limited provides three types of loans to its customers, first one is (Pamoja) or together loan, this type of loan is directed to the customers who are in small groups of five people and who owns small business. The Pamoja loan distribution varies from 250,000 to 1,000,000 Tanzanian shillings per client, the amount differs from one person to another according to the business owned by an individual and ability to repay back. The Pamoja loan mode of repayment is scheduled in weekly basis that a customer will pay amount set by the organization for a certain period of time including 2.5% of interest rate set by the organization per loan borrowed.

The second type of loan is (Vuka) this is a type of loan provided to medium entrepreneurs and the amount provided reaches to 7,500,000 million per person, this type of loan also considers an individual size of business ownership and ability to repay back. In Vuka loan mode of repayment is scheduled in two weeks to a month according to ones choice and organizational set ups, this group of loan also holds 2.5% of interest rate that a lender is subjected to pay to the organization.

The last typology of loan is Goals or (Malengo) this type of loan is directed to big a entrepreneur who owns big business and big assets, amount provided under this category as a loan range from 1 million to 10 Million Tanzanian Shillings. The amount usually is provided to individual customers and it does not need one to belong to a group only self business take a big part as collateral, individuals may present a document of ownership like house title deed, car or plot title. Expected interest rate also is 2.5% this kind of loan exists in Dar es salaam and is expected to be established in Moshi Municipality in 2013.

The organization has set different criteria that a person should meet so that he or she may be supplied with a loan; the criteria set are shown in the table one below:

Table 2:2, Criteria for loan access at Opportunity Limited

- A client should be 18 years of age to 60 years
- A client should be a Tanzanian.
- A client should be inhabitant of Moshi Municipality
- A client should own business that exists for six month and above.
- A client should be ready to follow all rule set by the organization.
- A client should be ready to meet in groups

Source; Opportunity Tanzania Limited 2013

Like other organizations Opportunity needs to provide loan to people who are adults that is why they serve people from 18 years of age and above, they need to ensure themselves that a client served is a Tanzanian for they have set their goal to empower Tanzanians and specifically the inhabitants of the area they operate. Focusing on business that operates for more than six month the organization needs to know how much the business gives a return or produce profit so that they may assure themselves if a client can afford to repay on a scheduled time. Rules and guidelines are the ones that lead the operation of an organization so a client is subjected to follow all the rules set by the organization and being in a group especially during training so that they can exchange views when learning together and also for the ones who are small entrepreneurs being in a group is one of the collateral that may give them chance to access loan.

2.5.2 BRAC Tanzania Finance Limited.

BRAC Tanzania Finance Limited, originates from Bangladesh worldwide and in Moshi Municipality it was established in 2008. There are three branches that have been set out to serve people closely to the centers, so there is BRAC centre at SOWETO area, another one at PASUA area and the third one at KIBOROLONI area. The Institution being divided in the three areas means that customers are only allowed to borrow from the centre which is closer to her area of residence. The wards visited are served with the centre found at Kiboroloni area whereby the centre consists of 11 staffs seven of them being as Loan officers and three of them dealing with other projects of livestock keeping which is one of the projects run by the institution to empower people on how to take care of their livestock.

BRAC has centered itself in providing funds to women who are small entrepreneurs to empower them financially so that they may expand their business, maximize their profit and be financially empowered. As other organizations access to loan and level of loan given depends on the customers asset owned, business owned the profit and return they make out of business which determines the ability of a client to repay back in a scheduled time.

Apart from the abilities of property and business ownership the organization has also set other several criteria that a person has to meet before being supplied with loan as shown in a table number 2.

Table 2:3, Criteria for loan access at BRAC Tanzania Limited

- A client should consist of 18 years of age and above.
- A client should be a woman
- A client should be a resident of an area defined by the organization for its services.
- A client should own business.
- A client should have ability to repay back.
- A client should own house appliances.
- A client should be in a group of five people

Source: BRAC Tanzania 2013

As other organizations BRAC needs to serve people who are 18 years and above for they are legally defined as adults, the said adults should be women for the organization has centered itself to empower only women financially. A loan that range from 200,000 is provided to women and they may get an increase in a next loan from 50,000 to 100,000 Tanzanian shillings. Being provided with expansion of amount in the next loan only happens if a client has been observed that have improved her business and her return has increase so she is having an ability to repay back and also she is in need of being supplied with a big amount of loan.

The organization need a client to be of a specified area as they have defined the boundaries served by the three centers, so as the officers may be able to reach the clients in a defined time. Visiting the clients is a primary thing to the organization for they need to confirm the ownership of business and properties which stand as collateral for a person to secure a loan. An officer needs to explore information about client business to see the properties they own and get approval from a chairman if the said client lives in the area and if he/she is the owner of the said properties; this system help the organization to avoid serving defaulters. .

Being in a group is one of the collaterals considered by the organization, each member needs to be as a partner to a fellow for they need to encourage each other to work hard so that they may be able to repay on time, failure to do so the whole group becomes responsible for repaying for the client who fails to do so. The range of loan repayment is on weekly basis that each customer has to repay a certain amount as the organization has planned for her, some of the clients are paying in 20 weeks which is 6 months and some are paying in 40 weeks which is a range of month and this depends on the amount of loan supplied to the client.

2.5.3 FINCA Tanzania

FINCA is an international organization that provides financial services in 21 countries around the world; it was founded by John Hatch in 1984. Out of Africa the organization operates in countries like Latin America, Afghanistan, Russia, Cambodia and South America, In Africa the organization began its operations in 1992, and it has 92 branches all over Africa found in countries like Uganda, Malawi, Nigeria, Zambia, Democratic of Congo and Tanzania. In Tanzania it was established since 1998 to date the organization own 25 branches in different regions in the country. In Moshi the organization has only 3 months of operation since the establishment of the branch, the organization consists of 19 trained staffs who work in accounts and loan departments (FINCA, 2013)

The organization has financial saving services and loan services; in loan services the organization is providing three types of loans such as individual loan, which loan range from 500,000 to 30,000,000 Tanzanian shillings. This type of loan is given to big entrepreneurs who own big business; the client is lent some credits and will be subjected to repay the loan in a range of 3 months to 18 months according to a choice of the client and advice provided by the loan officer. In this type of a loan a customer needs to meet several criteria before being supplied with a loan, the criteria are as shown in table 3 below.

Table 2:4, Criteria for loan access at FINCA Tanzania Limited

- A client should be aged not below 18 and above.
- A client should be a Tanzania
- A client should have an identity card.
- A client should own business that has been existing for 6 months and above.
- A client should be ready to follow rules and guidelines of loan as set by FINCA.

Source: FINCA Tanzania, 2013

A second type of loan is a group loan to medium entrepreneurs; this type of loan is given to any entrepreneur who owns any legal business, a said entrepreneur will then be entitled to receive a loan that range from 350,000 to 4,000,000 Tanzanian shillings. In this kind of loan repayment schedule range in monthly basis and one needs to be in a group of five to 10 people so that he or she may qualified to receive a loan. Apart from group criteria, the organization also considers factors of age, business ownership, identity, a letter of introduction from the ward where the lender lives. (*ibid*)

Lastly the third type of loan is group loan to small entrepreneurs; a said loan is given to an individual who owns a legal business and who belongs in a group of 15- 30 people that are aged 18 years and above, who have a legal identity and who have a letter to introduce him or her from her ward. In this type of loan the amount provided range from 30,000 to 3,000,000 Tanzanian shillings and the schedule of repayment also is on monthly basis as for medium group loans. (*ibid*)

As other organizations FINCA Tanzania has centered itself to empower up both men and women, but women are the ones who hold a big percentage in accessing the services for about 80% of women have been served and only 20% of men are also receiving loan services in the organization (FINCA, 2013)

2.5.4 SACCOS

Savings and Credit Cooperative Societies (SACCOS) in Tanzania have a long history, but till March 31st of 2013, 9,964 cooperative societies were noticed that they are operating in the country, among them 433 are from Kilimanjaro region (CS, 2013)

In Moshi Municipality both residential and occupational kind of SACCOS are found and there are 58 of them 46 being residential and 12 being occupational; there are three cooperative officers in Moshi Municipality who are responsible for all these cooperatives to train the members, to audit their financial flow, and even to advise them on a betters handle of the institution. Micro-finance as other financial institutions has set some criteria that an individual has to meet before being a member and get some credit (MMCCD, 2013)

Table 2:5, Criteria for loan access in SACCOS

- A client should be aged not below 18 and above.
- Deposit shares according to minimum standards set by the institution
- A client should abide to cooperative society rules and guidelines and the organizational rules set by themselves for well management and proper flow of services.

Source; SACCOS, 2013

2.5.5 VICOBA

Village Community Bank is one kind of financial institutions like SACCOS and it operate through shares collected by individual members who intentionally have decided to form their group to collect up resources together and at the end of the day to lend each individual according to their shares that they have invested in the institution. VICOBA have been designed to help women who lack financial services from banks and institutions that provides loan, In Moshi Municipality there are 11 groups of VICOBA operating since 2012, different from SACCOS these groups are supervised by community development department for they are part of development groups.

The VICOBA group Tusonge in Majengo area has 10 members out of 11 groups; it consists of 30 members from Majengo ward, and members meet every Monday to discuss the development of the group experienced, discuss the future of the group and, invest their shares on the group and some of them borrow from the collected shares. The shares that an individual is expected to invest range from 2,000 to 10,000 Tanzanian shillings; among the funds invested an individual is only allowed to borrow three times of shares that she has invested in the group.

Like other organization the members from this institution are divided into groups of five members this is one of the collaterals that among the five members they should well know each other so that in any fault when the group is consulted they may be able to provide sound information concerning their fellow member. A system of lending money from this institutions goes with rotation also considers emergencies or great need of an individual to earn the loan before other do for they do not own a lot of cash to borrow every member at the same time, each individual is allowed to borrow three times the shares that they have invested and at the end of the day she is responsible for repaying the loan with 10% interest.

Apart from financial services the members from this institution support each other in communal matters especially in emergency situations and happiest moments they need to share as people of one community. There are some Criteria that one needs to meet to be accepted as of the member in the institution. These criteria are as shown in table five below:

Table 2:6, Criteria for loan access in VICOBA

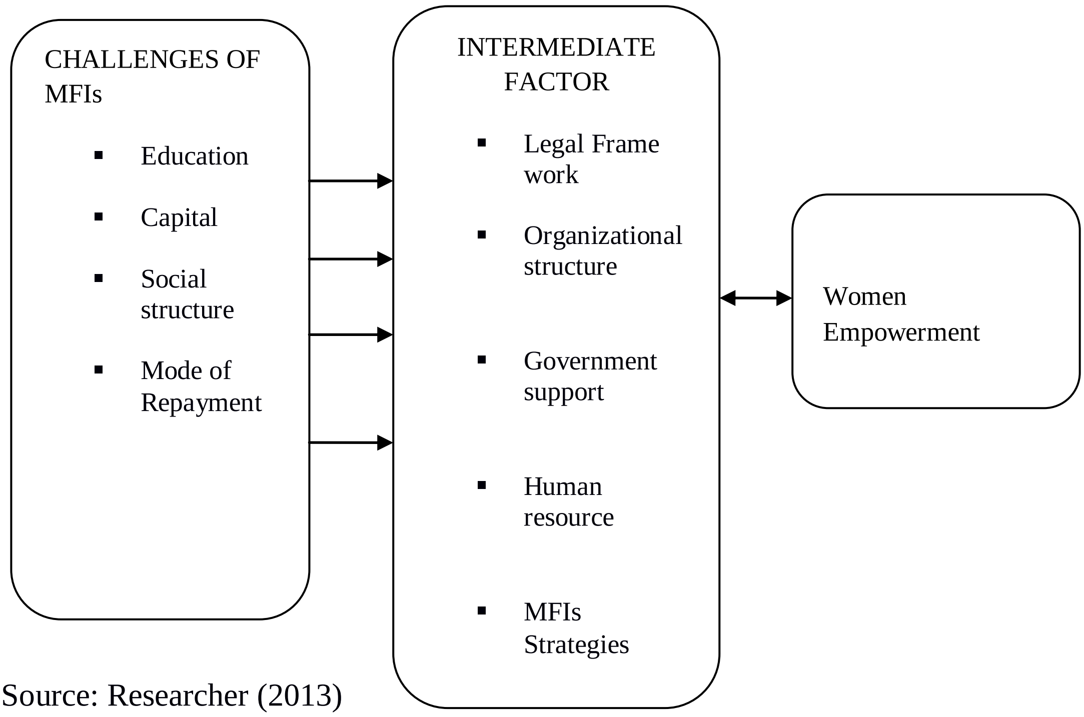
- A client should be 18 years and above.
-A client should be a woman.
- Clients should be in a group of 5 members
- A client should deposit shares according to standards set by the institution
- A client should abide by rules and guidelines set by the institution

Source; VICOBA, 2013

2.4 Conceptual Framework

The researcher assessed the challenges for micro-finance institutions towards women empowerment, the concept below shows the thoughts or the hypothetical challenges that occur in the micro-finance institutions due to the type of customers they serve. Some have standard formal education together with micro-loan and entrepreneurial skills, but some are not aware of anything at all so the ability and courage to seek for loan and regenerate differs, so this remains as a challenge to the institutions. Capital regeneration and facilities to stand as collateral differs, modes of repayment also stands as a challenge because the repayment time may not be friendly to the customers in their business operation, capital regeneration may be poor due to season, demand and many other reasons. So if the intermediate factors are well organized and considered it will enhance women empowerment without interfering with the Micro-finance institution operations towards women empowerment and income regeneration for the sustainability of the institution.

Figure, 2:2.



Source: Researcher (2013)

2.5 Variables Operationalization

Table 2:7

S/N	Variables	Definition	Measurement
1.	Education	This means the level of forma education of customers and awareness on operations of MFIs	-Customer awareness on the services provided by MFIs, how do they perceive the services?
2.	Capital	Wealth owed by a person or organization that can be invested, learnt or borrowed	-What does the customer owns that may act as collateral if he or she seeks for loan?
3.	Social structure	Norms and Values that are found in the society. How do they function	How the social structure does give a chance for a woman to involve themselves in accessing loan and also use it to develop out business activities?
4.	Mode of repayment	Style, Manner, or forms of repayment.	How long will it take a person to repay the loan back, and at what interest rate?
5.	Government Support	Loan provision and conducive environment for micro-finance operation	-institutions which support micro-finance
6.	Legal Framework	Guidance and rule for operationalization	-content relevance of regulations policy and legal frameworks
7	Human Resource	Skilled and available personnel in service proper service delivery	Are the staffs well educated and is their number enough to cover up the need of the organization staffs?
8	Operations of MFIs	The functions of micro-finance and flow of activities while observing law, regulations and policies.	Does the micro-finance institution work while observing the micro-finance operations rules and guidance set by the Government?
9	MFIs strategy	Approaches used by the institutions in its operations	What are the efforts done by the Government and other stakeholders to ensure well operations of micro-finance institutions?
10	Organizational Structure	Flow of the organization hierarchy	Who does what, when, and who reports to who?

Source: Researcher (2013)

CHAPTER THREE

3.0. RESEARCH METHODOLOGY

This chapter explains the research design, study area and methods used in carrying out the study. By definition, research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. So when we talk of research methodology we do not only talk about methods, but also consider the logic behind the methods we use in the context of our research study and explain why we are using a particular method or technique and why we are not using others that are available for undertaking in ones research (Kothari, 1990)

3.1 Study design

A case study research design was used in this study. The design was used to draw in-depth information on micro-finance institutions about challenges that they faced on their service deliver towards women empowerment. The aim of using this design was to obtain information on several variables from within a single geographical/ administrative area. Research design is defined by Kothari (1997:54) as plan of action through which a researcher organizes his/her work from data collection, data organization to data analysis. It constitutes the blueprint for the collection, measurement and analysis of data (Kothari 2004:31)

3.2. Study area

The study was conducted in Moshi Municipality - Kilimanjaro region specifically at Majengo and Miembeni. The Moshi Municipality is located on the Southern slopes of Mt.Kilimanjaro; it had a population of 184,292 people. From the total population distribution Males composed of 89,174 and Female 95, 118 who lived in 21 smaller administrative wards, namely Kaloleni, Bondeni, Karanga, Kiborloni, Kiusa, Korongoni, Longuo. Majengo, Mawenzi, MjiMpya, Msaranga, Njoro, Pasua, Rau, Kilimanjaro, Soweto, Miembeni, Ng’ambo, Gangamfumuni, Bomambuzi and Shirimatunda (Census 2012).

A researcher selected this specific area because first, there were a number of Micro Finance Institutions (MFIs) that were providing loans in the area. The researcher discovered it is easy to trace the organization location as beneficiaries of the service around the area would provide information concerning the location MFIs within the study area. Secondly the researcher works at Moshi Municipal Council so she had an ample time to go through details from micro-finance institutions that operated under government like Village Community Bank (VICOBA), Savings and Credit Co-operative Societies (SACCOS). Some of the groups used as sample to see what were real done in the institution and what were challenges that they faced in their daily operations towards empowering women.

3.3. Data collection methods

The study used triangulation of data collection methods. The methods used indluded: documentary review, interview, and observation. This is to say both primary and secondary data were collected. Primary data was collected through interview and observation while secondary data was collected from documentary reviews.

3.3.1 Methods of data collections

3.3.2 Questionnaires

The researcher applied this method to give respondents an ample time to answer questions at their own without fellows influence or fear. The researcher provided questionnaires to MFIs customers of micro-finance and the questionnaires were administered in Kiswahili language which is a national language and known to the respondent as a medium of communication.

3.3.3. Interview

Both structured and unstructured interviews were used. The Interview involved the Micro-finance Officers, Ward Executive Officer (WEOs), Mtaa Executive Officer (MEOs) and two customers of micro-finance from each ward, This was a purposive choice for the researcher to get information from the staffs of micro-finance, and compare with that of customers of a given micro-finance institution and the administrative leaders of the study area to explain strengths and/or weaknesses they faced. It was found that the borrowers of loans from micro-finance institutions failed to repay the loans. It was also revealed that details concerning the micro-finance institution existed in their organization such as (SACCOs) and (VICOBA). Unstructured interview was used whenever the interviewer needed more clarification. Interview was used to secure information from participants who had difficulties in reading and writing, particularly poor unemployed people who secured loans from MFIs and started micro-entrepreneurs.

3.3.4. Focused group discussion

This method was applied in this research to obtain information from the group of people involving themselves in Micro-finance to find out the strengths and opportunities for women empowerment through MFIs in Moshi Municipality. How they perceived the operations of micro-finance institutions towards the goal of empowering them. This helped the researcher to collect a lot of data at a time exploring the kind of services provided to the group whether it only financial support or other forms of support were rendered such as providing education within a group to micro- entrepreneurs to give them loans managing skills.

3.3.5 Observation

A visit to some of micro-entrepreneurs who involve themselves in micro-finance was made to see whether they were able to manage their loans on bases of developing a business and how they ran it. The purpose was to observe to see whether the business was legal and it helped the customer of micro loan to repay her debts. In the mean time, this helped the researcher to note the strengths and weaknesses of customers served by micro-finance institution and apart from that determining the challenges in managing their loans and whether they caused to their micro-finance to be spotted out.

3.3.6. Documentary review

Some documents related to empowerment, loans and information linked to provision of micro-finance services from each institution were sought by the study. Also some books and Internet searching were reviewed. This was part of secondary data since the information obtained was yet documented by the institutions to show how long and how widely they were performing the tasks of empowering women. How clients returned and/or failed to repay their loans on time.

3.4 Types of Data

Primary data were obtained from the field during data collection. And this was through questionnaires, interviews, focused group discussion, and observations that were conducted. Secondary data were obtained through review of the documents from the visited organization that provided micro loans.

3.4.1 Sources of data

Municipal Officials (WEOs), (MEOs), MFIs Staff and customers who were small business people enjoying micro-finance services were interviewed and various written documents about MFIs were reviewed to get the information over the operations of micro-finance in a specified organization, loan flow and the challenges in the whole system of operation, and women empowerment documents were reviewed to get both primary and secondary data.

3.5. Sampling

3.5.1 Sampling and Sample Size

The research was conducted in Moshi Municipality the sample sizes for this study was 70 respondents. These were 3 Municipal Officials who were cooperative officers and who dealt with all matters on micro loans operations in the municipality; this was 4.3% of the respondents, 2 (WEOs) one from each ward visited which made 2.85% of the respondents, 6 MEOs two from each ward were studied; this was 8.6% of the respondent, 15 Staff of MFIs which was 21.4% of the respondents and 44 customers this is 62.85% of the respondents who were small business people enjoying micro-finance services who engaged in micro-finance activities for at least one year and above and lived in Moshi Municipality. The people with experience in micro-finance services were chosen because they were well informed and they knew much about the Pros and Cons of micro-finance services, so they could reflect better to this study. The logic behind choosing this population is grounded on the reason that the challenges of micro-finance towards women empowerment is within their area of work, experience and it was a day to day observation towards the services that were delivered to people around the area.

3.5.2. Sampling techniques

3.5.2.1. Random sampling

This method was applied whereby every respondent in the population were given an equal chance to appear in the sample because the sample was drawn randomly from the selected groups, which comprised of customers from micro-finance services from each ward who involved themselves in different micro-finance institution, those who were served in the study area.

3.5.2.2. Non-probability sampling (purposive)

This method was used by the researcher to some of the Government officials who specifically dealt with micro-finance and cooperative matters in the Municipality for they gave relevant information due to their area of work and professions. Also WEOs for the specified wards were interviewed for they were the official in charge for all matters in specified wards. Micro-finance officials who distributed loans and who made follow-ups on the loan repayments for these people were aware of the flow of loans to their customers and the total repayment by their customers.

3.6. Data analysis techniques

Data were collected, analyzed and presented by using the software Statistical Package for Social Sciences (SPSS). The researcher used the program to summarize and analyze all collected data that answered the research questions, as well as to meeting the objectives. Both qualitative and quantitative techniques were used in the analysis. The qualitative techniques were used to describe and interpret data through logical reasoning and summarization whereby quantitative techniques including charts, percentages and tables were used to illustrate facts.

CHAPTER FOUR

4.0 PRESENTATION OF FINDINGS.

4.1 Introduction

This study set out to identify challenges facing Micro-finance Institutions towards women empowerment in Moshi Municipality. Therefore in this chapter, discussion of data collected from the field is presented. The discussion follows the problem identified in chapter one, research objectives and research questions posed in the same chapter. First part presents and explains the characteristics of sampled respondents. Second part shows the general understanding of micro-finance and explores kind of services provided by the institution, the modality of service flow, challenges and their causes experienced by individuals and institutions in the process of service delivery. Third part is about strength and opportunities for women empowerment in Moshi Municipality. Finally, the fourth part is about solutions on what has to be done to alleviate the challenges faced by both customers and the micro-finance institutions towards women empowerment.

4.2 Social characteristics of respondents

4.2.1 Age of respondents

Age in research reveals maturity of the respondent showing the ability of a person to respond to questions and provide sound answers. In other circumstances age is a part of social responsibilities of a person where by a community and everyone assumes certain social responsibilities undertaken by a person of a certain age group. For example, when a person is aged 18 years and above in most of the communities they consider that he or she has ability to work and provide for his or her family and all who might be among the dependant of that person. The results show that all of the respondents were aged between 18-58 years. This means that the age interval constitute people who are matured and said to have ability to lend from different organization as per one of the criteria by the organizations that qualifies a person to get loan they should be 18 years of age and above, then other qualities like owning business, having tangible properties and being in a group follows to compliment the said qualifications. So the distribution of age of the respondents is as per categories shown on Table 4:1 and Figure 4:1.

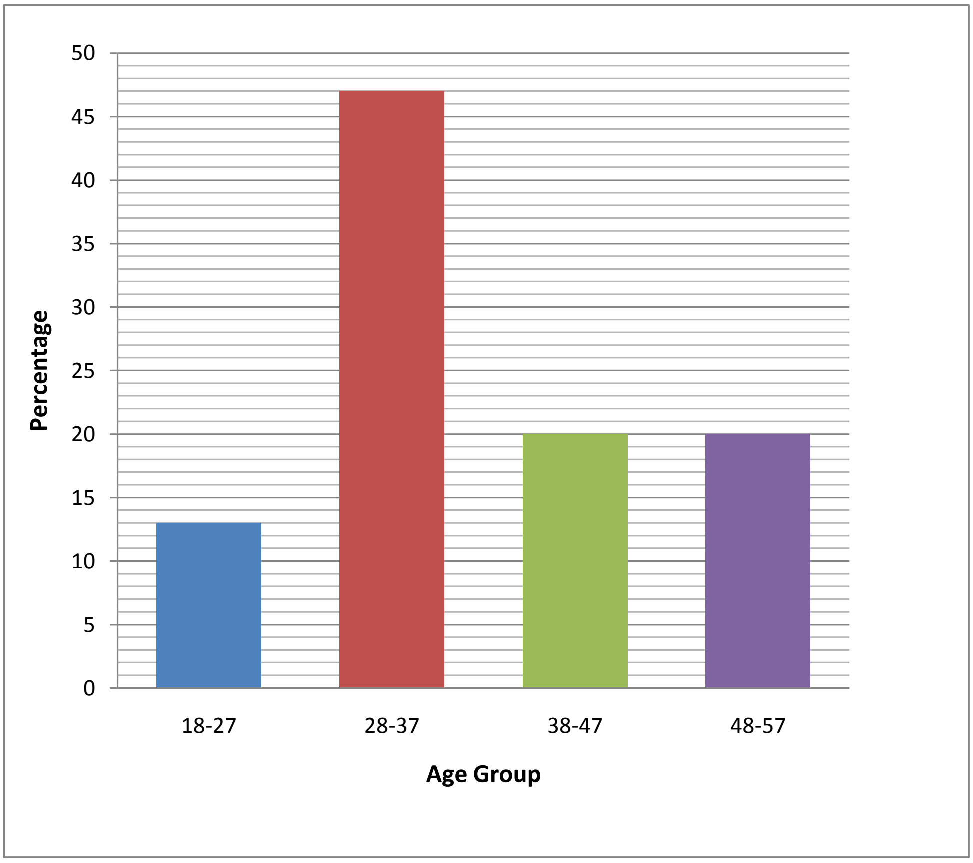
Table 4:1 Age of respondents

Category (%)	**Frequency**	**Percentage**
18-27	4	13.3
28-37	14	46.7
38-47	6	20.0
48-57	6	20.0
Total	**30**	**100**

Source: Survey data, 2013

In the shown figure 4.1, it portrays that most of the respondents who sought for loan were in a matured age of youth group between 28 -37, this group seems to seek and use all opportunities effectively for future before they run into old age. Below the age of 28 few people have courage to seek for loan they might be lacking confidence or might be having few responsibilities like having family and other matters to take care so very few go for loan. Also the observation shows that above 38 years few people seek loans and beyond 57 it seems that people do not like to involve themselves in seeking loans. As for organizations too they speak out that 60 years and above it becomes very difficult to lend a person a loan and expect them to repay on time; they have observed that below that age people are still very active as for our life span is very short so some fail to work effectively, only those in the mid 50s and below that age will be active in lending and repay in a given time.

Figure 4:1, Age of the respondents



Source: Survey data, 2013

4.2.2 Education

The study revealed that 70% of the respondents had primary level of education and 30% had secondary level of education. This portrays that all customers had ability to read and write. So it is open that the respondents engaged themselves in micro-finance services knowing exactly what it was by learning from the organization, be told by someone, through Medias and brochures, so it is open that they will not abuse funds and take for granted and give excuse that they are not aware of flow of micro-finance services. In advance the customers lived in an urban area so they were reached with information and weigh out how important it was and they could assess it and then decide whether to use it or leave it.

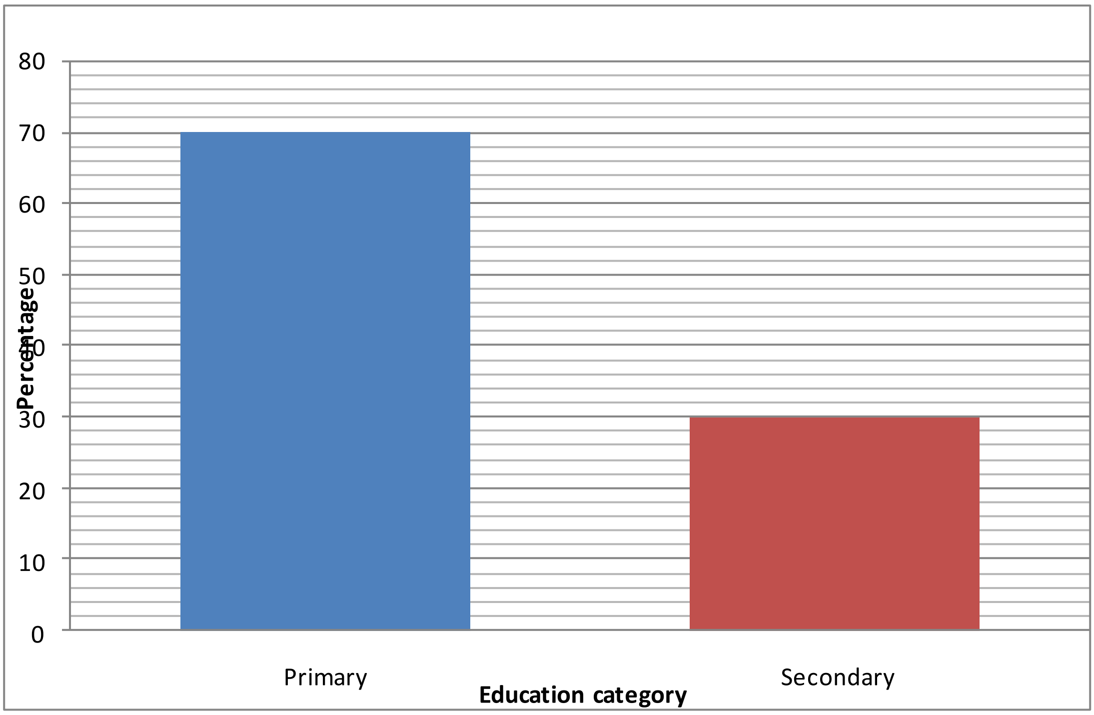
Table 4:2: Highest level of formal education of the respondents

Category (%)	**Frequency**	**Percentage**
Primary	21	70.0
Secondary	9	30.0
Total	**30**	**100**

Source: Survey data, 2013

The analysis of data demonstrates that the respondents of the study had sufficient criteria's to involve them in micro-finance services as they had a given age and they were learned people who could ask or question and observe the realistic and important of something. Figure 4:2 and table 4:2 summarizes this information.

Figure 4;2 Education Level of the Respondents



Source: Survey data, 2013

4.2.3 Source of income

The respondents are entrepreneurs by themselves running different kinds of businesses such as selling clothes, operating min cafeterias, shops, selling bites, operating saloons, selling vegetables and all market products. As owning business is one of the criteria to be supplied with loan so all of them have tried to have specific business that operates in a defined manner. Sustainability and well flow of the business is a priority of every one for it gives them credit to be supplied with much loan according to how much one earns which guarantees the organization stable repayment in a specified time.

4.2.4 Marital status

For marital status, it takes the shape of exploring how is the social structure of a given community, how men and women interact with each other and what is the position of everyone in taking responsibilities of raising income and provide for a given family. In the analysis, it was found that 70% of the respondents were married and they have expressed that, in their involvement in micro-finance services their spouses accepted the idea and they supported them and encouraged them to work hard. Some of the respondents expressed that when they failed repaying they were supported by their husbands for they understood that they lend to expand their businesses so that they could multiply their income to support their families, but in a long run when they failed for reasonable circumstances it was the time to help each other.

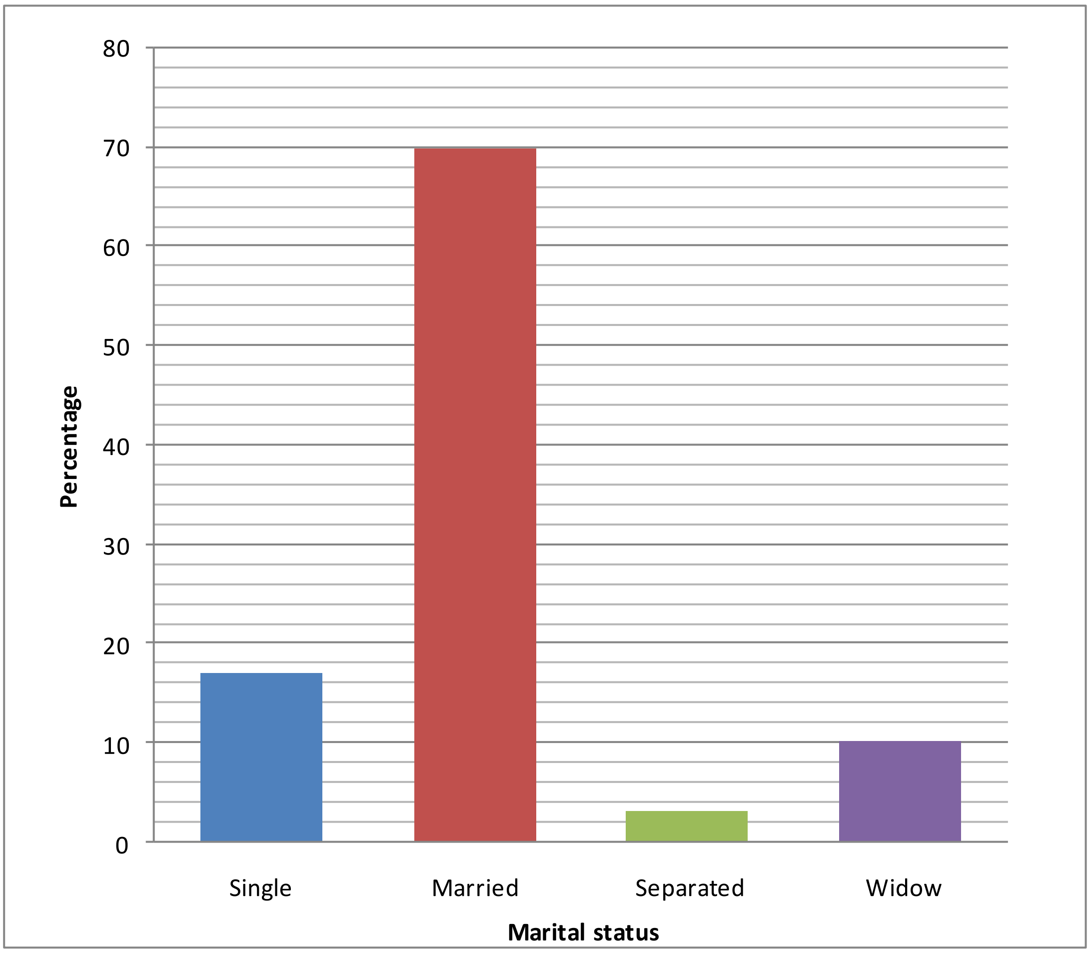
Table 4:3: Marital Status of the respondents

Category (%)	**Frequency**	**Percentage**
Single	5	16.7
Married	21	70.0
Separated	1	3.3
Widow	3	10.0
Total	**30**	**100**

Source: Survey data, 2013

Table 4:3 shows that, single, widow, and separated women were few. Regardless of their marital status, they still get a courage and support from other community members as their guarantors when they seek for loan from these MFIs. Figure 4:3 summarizes this information.

Figure 4:3 Marital status of the Respondents

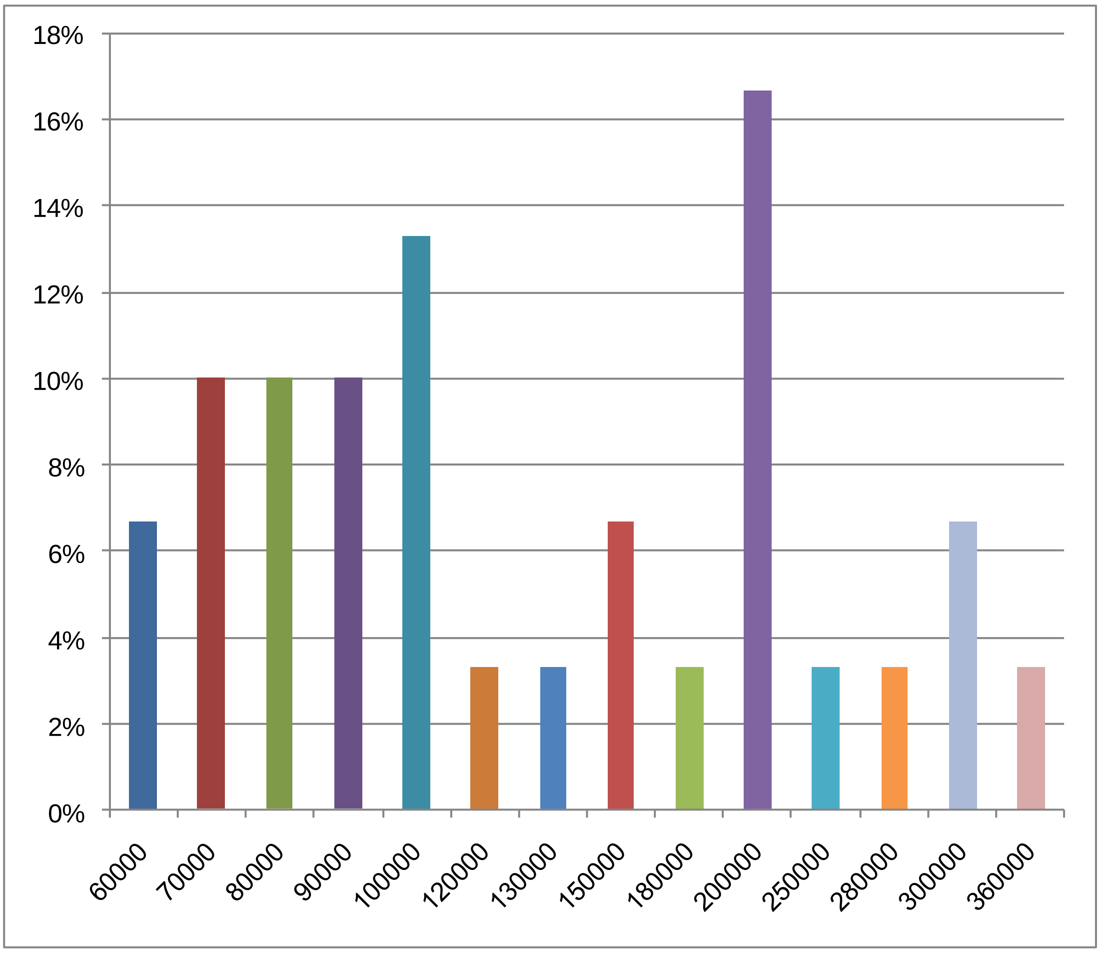


Source: Survey data, 2013

4.2.5 Average income of the respondents per month

The average income of the respondent was assessed. It was found that the income earned in a month differed from across respondents though some of them had the same level of income. This variable was very important to assess for it gave a picture on how much one could lend; also micro-finance institutions used this factor to evaluate ability of a person to repay according to schedule set by the institution. The earning directly affected the level of borrowing of an individual for it was very open that an institution could not lend a person a big amount that they were not sure of earning in a given time that they had set out. This variable of income also depends on the occupation of a person, in this survey it was noted that all respondents were entrepreneurs; they owned different small businesses such as shops, café, they sell used clothes, vegetables and some were involved in catering. Business of one respondent might be of the same kind compared to other respondents, but the difference comes in quantity and quality of the services given out. Taking an example of the respondents who used clothes business; those with big capital took a lot of clothes and in their business they did not look only for quantity but also quality for they went for first grades clothes that they claim to be almost new, expensive, and they had big return compared to other grades. The ones who owned a small capital they bought lower grades clothes that they could afford, but when they opened a ballot sometimes they even found the clothes were just like trash so they ended up getting loss and made a sale on them instead of selling them in a fair price that gave them a reasonable return. So with the average income shown in the Figure 4:4; it also varied the same amount of loan earned by each respondent and the higher the income the bigger the amount of loan one could be lent by a micro-finance institution.

Figure 4:4, Average income per month of the Respondents

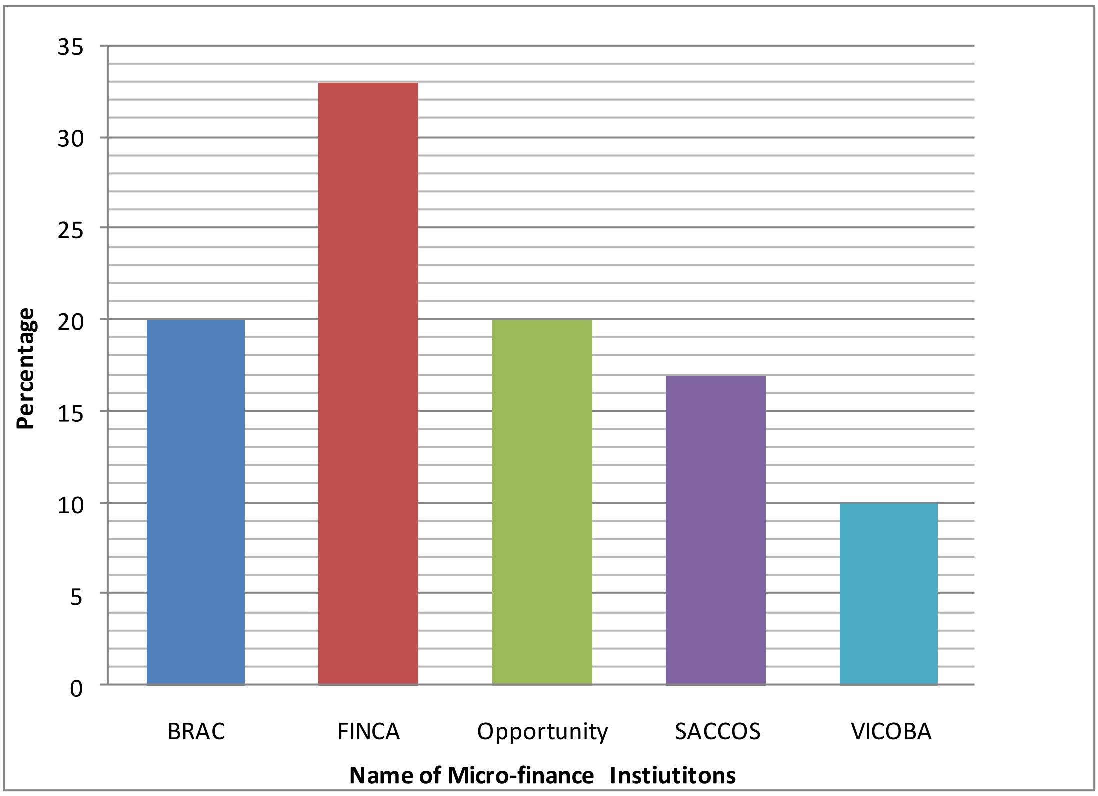


Source: Survey data, 2013

4.3 General understanding of micro-finance

In the conversation, respondents showed that they understood what micro-finance institutions were and that they joined the MFIs with their conscience. Furthermore, it was found that they were involved in and also they were aware of the services provided by the institutions. Figure 4:5 shows different organizations whereby the respondents involved themselves for instance, 33.3% of the respondents accessed loans from FINCA which is a new organization in the municipality providing loans to entrepreneurs for the past three months. Other organizations such as BRAC, OPPORTUNITY, SACCOS and VICCOBA were operating in the municipality in a range of one year and above (see Figure 4:5)

Figure 4:5, Name of Micro-finance institutions that serves the respondents



Source: Survey data, 2013

4.3.1 Other services provided by micro-finance institutions

The respondents also explained clearly that apart from financial services some of the institutions provided other services such as entrepreneurship education to the customers so that they had enough skills in utilizing provided funds and being able to multiply and repay on time. Healthy education, insurance and group support in emergencies or hazardous situations.

Table 4:4, Other services provided by micro-finance institutions

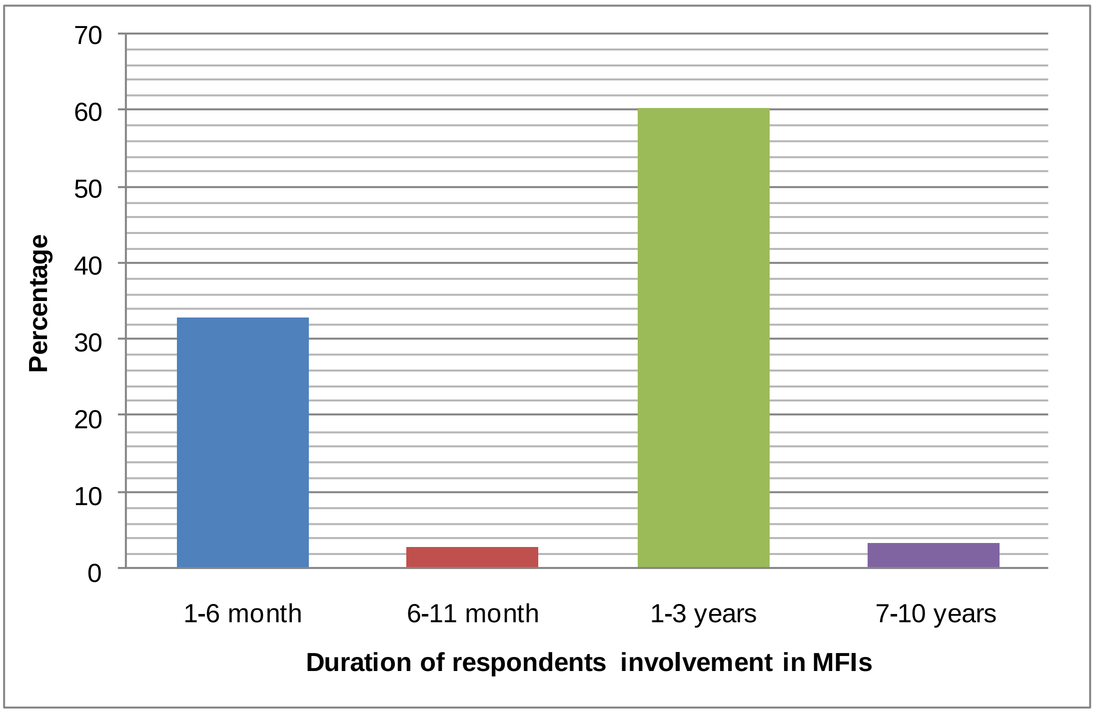
- Entrepreneurship education to the customers.
- Health education to customers to understand about
- Insurance in case of disabilities or death youth family will be supported.
- Group members support each other in emergencies and kind of difficult circumstances.

Source: Survey data 2013, 2013

4.3.2 Respondents Duration of involvement in the micro-finance organization

60% of respondents expressed that they were involved in micro-finance services for a year and more than a year; this imply that many of them are strongly aware of a lot of matters concerning micro-finance institutions. Others seem to involve themselves in for less than a year as portrayed in Figure 4:6. But in the conversation they revealed that they were in other institutions for a long time but they decided to shift in order to avoid challenges they met before, but also they were looking for satisfactory services including amount of loan provided, mode of repayment and other extra services.

Figure 4:6, Duration of Respondents involvement in MFIs services

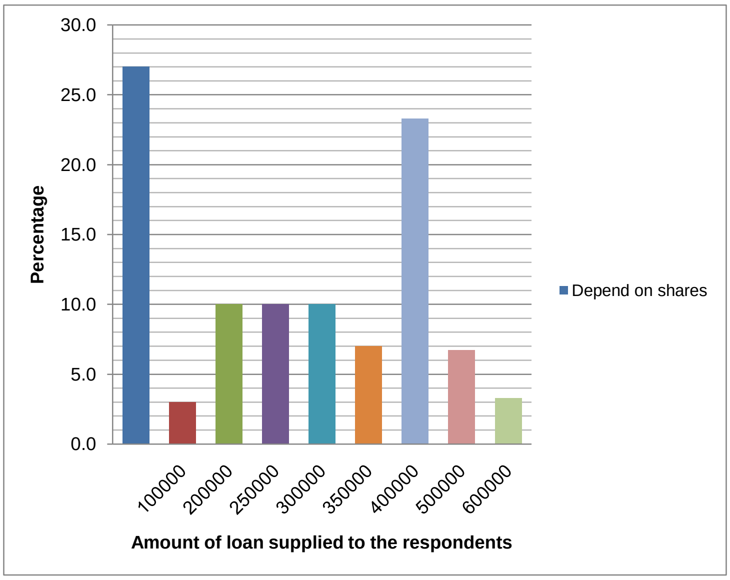


Source: Survey data, 2013

4.3.3 Amount of loan supplied to the respondents.

The respondents expressed different amounts supplied to them as a loan and the difference appears due to ones average income per month; it is observed that the ones earns small amount they also possessed a small business so they were given according to their ability to repay and not according to the amount they wish to have.

Figure 4:7: Amount of loan supplied to the respondents



Source: Survey data, 2013

4.3.4 Kind of collaterals placed by Micro-finance Institutions

Micro-finance institutions provided good services with reasonable interest rates compared to other financial institutions such as banks, together with criteria for a customer to be above 18 years of age. There are other criteria that a person should adhere to as collateral. Different institutions place own type of collaterals, such as owning shares, owning business, owning home appliances, and belonging into a group as part of the collaterals. In this research the customers of micro-finance services mentioned several kinds of collaterals as shown in the Table 4:5.

Table 4:5: Kind of collaterals placed by Micro-finance Institutions

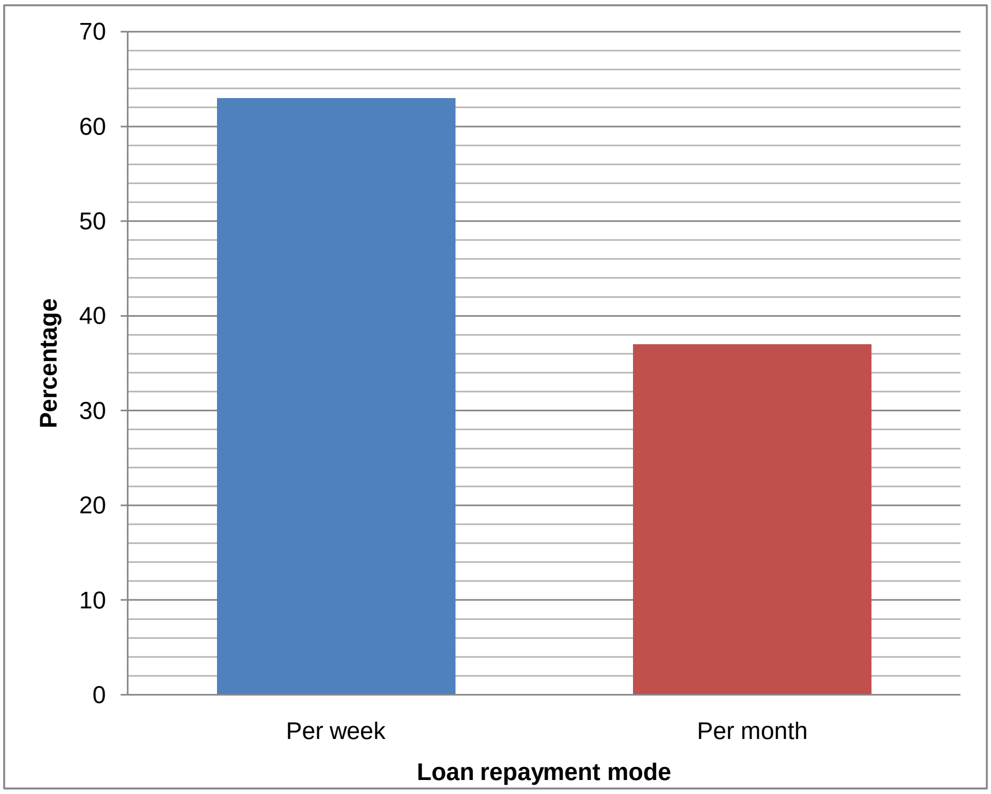
Category	Frequency	Percentage (%)
Shares	8	26.7
House appliances	1	3.3
Business	1	3.3
Belong in a group and Business	14	46.7
Belong in a group and house appliance	6	20.0
Total	**3**	**100**

Source: Survey data, 2013

4.3.5 Mode of repayment.

This part intents to provide reasons for most of the customers of micro-finance services failing to repay loan in a given time; each organization had set out techniques to earn back their cash. Many organizations required the repayment to be made on weekly basis; it was found that it was a tedious for borrowers to repay through this mode because the rotation of the funds in business was too slow and short so it became so hard to multiply the money and repay in time. Though this situation prevailed in their lives some were used to it, but some failed to cope with the mode, which made them seek for loans from other organizations which had a different mode of repayment. It was noticed in this survey that some of the customers who shifted to FINCA had come from other micro-finance institutions around Moshi town; suggested that it was better to repay on monthly basis for it would give them time to rotate the funds and multiply the profit. Not only that, but it was also found that people complained as they failed to repay in a mode of weekly basis, but also they complained on being responsible for the failure of one or any member of the group who failed to repay, so they ended up contributing for others through their own funds at the end of the day they found that they gained nothing out of the business they ran for the profit they gained turned out to be part of contribution for repayment for a group member who had defaulted.

Figure 4:8, Loan repayment mode



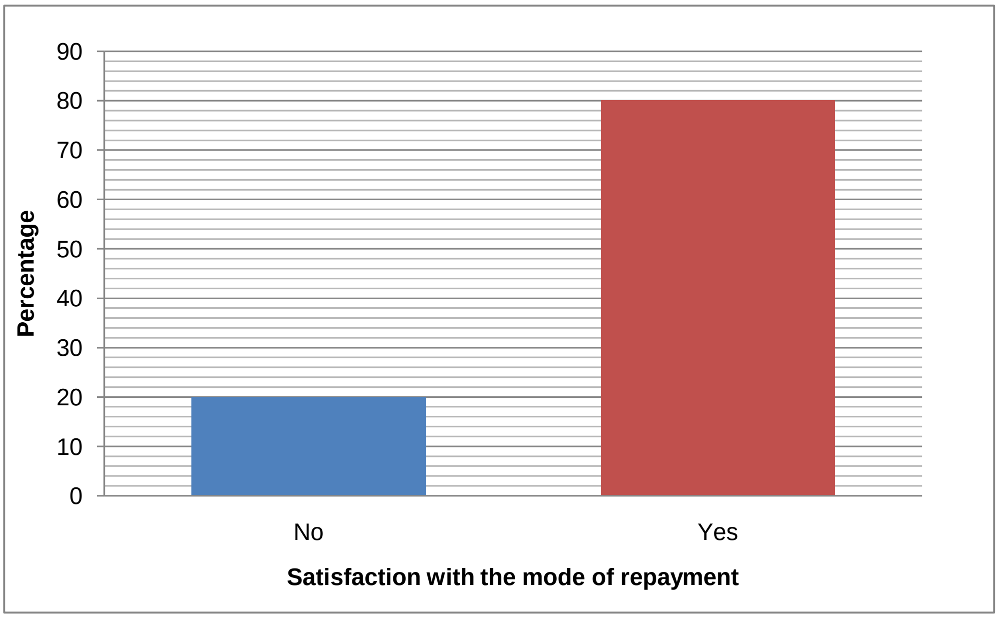
Source: Survey data, 2013

4.3.6 Satisfaction with the mode of repayment

Some of the customers were satisfied repaying on weekly mode, but some of them were not satisfied with this mode of repayment because it gave them a very short time to multiply the profit. But on the other hand, the customers who on their own raised funds like SACCOS and VICOBA they use the mode so as to be accountable for the funds they raised by themselves, and gave chance for other group members to access loan in a short time for the whole group depended on the few shares they invest together and start lending each other by rotation.

Furthermore 80% of the respondents commented that they were satisfied with the mode of repayment, 50 percent of those satisfied with the mode were the ones who repaid on a monthly mode and those who replayed on a weekly basis were in own raised funds type of micro-finance such as VICOBA and SACCOS they repay early to let other members get chance to lend. 30 percent consisted of other customers of micro-finance services they thought they were satisfied with the mode because they saw it as a usual mode used by many organizations so they felt that there was no way to bring change but to accepted because it was the system used by other organizations too. There were very few respondents who paid on weekly mode comfortably and commended the mode as it help them to be active bearing in mind that they were owed and they needed to work hard to multiply their income and repay on time.

Figure 4:9, Satisfaction with the mode of repayment



Source: Survey data, 2013

Although micro-finance institution provided financial services with small interests compared to other financial institutions, the process of helping or empowering women faced some challenges. Several challenges were pin pointed by customers and microfinance staffs as shown in Table 4.6.

Table 4:6, Challenges of micro-finance institutions

-Bureaucracy
-Corruption
-High interest rates
-Delay of funds
-Repayment time is too short
- Amount given out is too little
- Unfaithful group members
- Group system fails customers to access loan on time
-Repaying for fellows who fails to repay back
- Unfaithful staffs

Source: Survey data, 2013

4.4 Challenges of micro-finance

This is a core part of the survey conducted in Moshi Municipality and in the results several factors were mentioned in questionnaires, focused group discussion done to the participants of micro-finance services, also, through interview conducted to staffs of micro-finance, ward executive officers, Mtaa executive officers and cooperative officers responsible for micro-finance operation in the Municipality. Beginning with the clients of micro-finance services they mentioned several factors, namely corruption, delay of funds, high interest rate, bureaucracy, unfaithful staffs, unfaithful group members, group system being an obstacle, repayment time being too short, amount provided being too little and inability to repay for other members was an obstacle.

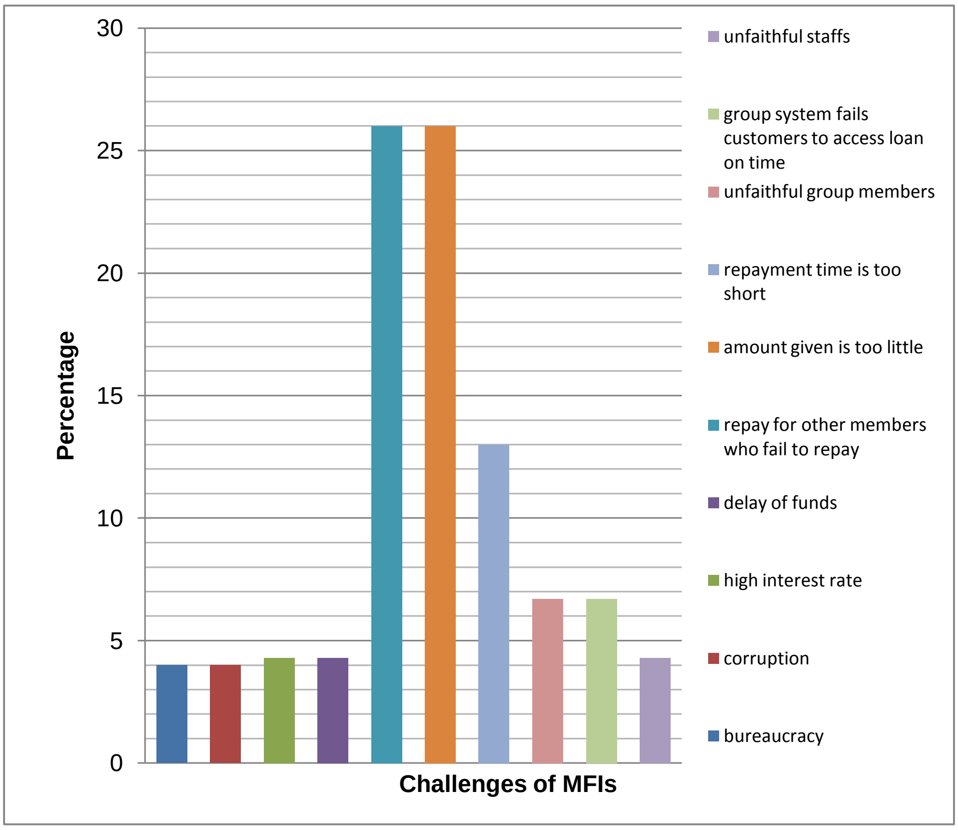
In literature some factors were pointed out by other researchers on the challenges of micro-finance institutions that also prevail in this survey. Selejio and Mduma (2005), Nelson and De Bruijn (2005) pointed issues concerning customers of micro-finance these factors range from education, capital earning, behavior and even social structure of the served customer does it allow her to borrow and work?, some of the customers were not faithful in groups and this led to low repayment and collective repayment on the other hand, the group members were found to fall in a trap of repaying for a person who failed to do so.

Another challenge was about quality of services this was type of services given and kind of people who provided the services, in some of micro-finance institutions staffs were noted to be too bureaucratic, corruptive and unfaithful, this discouraged the customers for the little they earned ended up to stand as a bribe to convince the micro-finance staff to consider them in the next distribution of loans.

Lending procedures was also stood as a challenge; it was found that there were too complicated, not clear and unfriendly to users procedures. This makes borrowers loose chance to enjoy and get the services in appropriate time, and loose time to make use the funds in a proper way and get chance to repay on time, when the procedures poor the quality of services would also be poor.

Interest rates was also a problem that caused women to give up and this was seen prevail during the micro-finance survey it was found that the procedures end up discouraging women for they lost power because they happened to lose even the little they had.

Figure 4:10, Challenges of Microfinance Institutions



Source: Survey data, 2013

4.4.1Causes of Challenges as pointed out by the customers

Few Causes were pointed out, namely poor management system, bureaucracy, corruption, delay of funds, unfaithfully staffs. As in the literatures, this was also pointed out by Chijoriga in her survey in 2000 when she evaluated the performance of micro-finance and financial stability in MFIs and 194 SMEs which were in Dar-es-Salam, Arusha, Morogoro, Mbeya and Zanzibar regions. She found out that, the overall performance of MFIs in Tanzania was poor and only few of them had clear objectives, or strong organizational structure.

Poor organizational structure was the same problem that happened in this survey in one of the organization pointed out by micro-finance customers and termed it as poor management system. This is directly the fact of flow of organization structure that when the top management does not hold well their responsibilities they give loopholes to other staffs to perform poorly as a result several problems may be encountered in their daily performance.

Other cause of challenges include: economic depression, the respondents expressed that life expenses escalated and inflation rising, this made many people unable to generate income as expected. If there were hardships in raising income automatically resulted in failure to repay loans. This made other members to repay for the ones who failed to do so. High interest rates and short repayment time was experience because the amount the organization earned was little, they needed to have high interest rate, but not compared to the banks also needed loaners to repay in a short time to make the business flow properly and multiplication of funds to be experienced in a short while. Amount given was too little given the life expenses that is it did not match with the little the loaners earned when there was great depression and high inflation one needed to have enough funds to buy products that could compete in the market and became able to regenerate the funds, but when the products were of the same kind of competition became big and chance to operate business became too little.

4.5. Challenges of micro-finance institutions as portrayed by institutions

Surveyed financial institutions showed several challenges of micro-finance and each institution tried to explain the outstanding challenges they met in their daily activities. Beginning with SACCOS; they mentioned several challenges as shown in Table 4:7.

Table 4:7: Challenges of micro-finance as portrayed by the institutions

- Poor repayment ,
- Politics
- insufficient working tools to cooperative officers
-Lack of financial management education to body members
-Insufficient number of cooperative officers
- Insufficient funds

Source: Researcher, 2013

Some members of cooperative failed to repay their loans on time and this affected the operations of the institution for members raised funds for themselves; sometimes the institution got funds from Municipal councils inserted as presidential funds for women development and youth development. The presidential funds were not there just to be distributed to people as gifts, but they were to be distributed to people as loans and be repaid on a specified time. Existing politics concerning the presidential funds destroyed the flow of funds people took advantage of the funds and denied to repay.

Cooperative officers in Moshi Municipal council were only 3 they needed to inspect, audit and train cooperative members in more than 16 institutions per one cooperative officer, this become a huge task and hectic to them for in a well management one cooperative officer needs to deal with only 7 cooperative institutions. The cooperative officer had a huge burden and in this situation it was anticipated that the officers worked under pressure and it was hard to meet all the requirement of all institutions as it was expected.

Apart from the deficiency of cooperative officers they also lack tools and enough funds to support them in their activities; the officers were responsible for training the cooperative boy members to get skills of managing the funds, but when they ran out of fund and facilities to facilitate the trainings it became very hard to do the same.

Training to body members was very important because when other staffs or members had higher education than body members they took advantage of the body member; funds were misused and misplaced as the body members were not familiar with financial management skills so it was hard for them to question the accounts department for they ended up giving explanations that were not justifiable for the funds, but they had no idea on what had happened..

Challenges as experienced by other organizations In BRAC Tanzania Limited they had experienced several factors as other organizations like poor repayment, unfaithful customers, and customers with multiple loans. Beginning with the factor of delay of repayment, some of the loaners failed to repay on a given time so this gave the organization a hard time to make a follow up to an individual and group as well. The organization had set a system of dealing with the whole group to repay on a fellow who failed to repay her loan on time and it made the organization to be in a hectic of following the group members every now and then to support their fellow. Sometimes the group members decided to sell their fellows house appliances, but it became hard when the family or spouse did not accept the idea of selling the properties so the group members fell into a trap of repaying for their fellows using their own account and this situation at the end of the day discourages them from applying for loan any more.

Some loaners were not faithful they ran away with the funds they were provided with, in most cases some of them lived in an area as renters so when they disappear they walked away with the funds they were given, this became a burden to the group members and the organization as well for the other members ran into loss but the organization also used a lot of energy to make other repay for the fellow which was a discouraging situation to their customers and not fair in one way or another.

Customers had multiple loans it was also a problem to the organization for they needed to be very active in their business so that they could manage to repay both loans on a given time, but in small entrepreneurs it was experienced that it becomes a burden for them to deal with two or more than two loans on time for they found themselves failing to concentrate on either of the loans. The institution discouraged multiple loans and they were not ready to provide loans to a person whom they knew that she had another loan, the customers tended to make a loan secret to the organization so that they did not miss a chance of receiving another loan from the organization.

Challenges observed by other organizations like FINCA and Opportunity Tanzania Limited resembled with others mentioned by other organizations like poor repayment, unfaithful loaners, another challenge was poor use of the entrepreneurship education. All organizations provide entrepreneurship education to their members before distributing loans to the customers, but the organizations tried to monitor their members on how they used the education in their practical business, but most of those who failed to operate business well it was noticed that they did not follow techniques they were taught.

4.5.1 Causes of the challenges Identified by the micro-finance institutions

Different causes were pointed out by the organizations assessed poor circulation of money was pointed out by all organization, Moshi Municipality was one of the Municipalities that had small circulation of money in business operated around the town so small entrepreneurs suffer to rise income easily.

Another cause that led to challenge of micro-finance institutions in Moshi Municipality was depression and inflation. That is life expenses grew up but at the same time the value of the currency declined, thus making people fail to meet their daily needs as it was expected before. Rich ones remained rich, but the middle and the poor people ended up suffering because of the income they raise; it could not meet their daily needs and at the same time utilize well their funds they had for business purpose, so these issues led to poor repayment or even escape of loaners whose income is too little that ended up meeting the family basic needs.

4.6 Strength and opportunities for women Empowerment in Moshi Municipality

The Municipality was a town centre so this fact attracted the existence of different financial services around the centre like banks and micro-finance institutions; so the availability of the institutions lessen the burden of loaners to walk or travel a long way looking for the services like the ones who were living in villages.

Not only the availability of the institution was the strength but also the permit to operate was a great opportunity for people to get assurance of the services that were legally recognized; there were legal frameworks these were policies, acts and regulations that guided the operations of the institutions in Tanzania like the National Micro-finance policy of 2001, Micro-finance Regulations of 2005, Cooperative policy of 2002, Cooperative Act of 2003, and Cooperative Regulation of 2004. Also there was existence of bodies that supervised the existing micro-finance institutions and made sure that they operated in a respective manner and these were TAMFI and SCULT which dealt with all sought of micro-finance institutions including SACCOS.

The availability of funds to lend individuals and groups that met the criteria for loan access was another opportunity to inhabitants of the Municipality, individuals or groups were welcomed by the institutions to borrow any amount categorized by the institutions only if they met criteria set. During the interview session each organization explained their origin and how they got funds; this openly showed the ability of the organization financially that they had funds and in the process of lending people they multiplied the funds through the interest they pressed.

Entrepreneurship education this sort of training was provided by the institutions before customers were supplied with loans, the institutions opted to do training to the customers for they needed them to utilize well funds for their own development and also be able to repay back the loans to the institution. Most of the small entrepreneurs operated business without having knowledge of how to run business but the ones who own big businesses and who applies for big loans they have been entrepreneurs for quiet sometimes so they are sure of how they will manage their loan and be able to repay on a time scheduled by the institution.

Permit to operate business is one of the strength seen in Moshi Municipality most of women visited they operate different business that will need license and others that needs the chairman of a street with the Ward development council to permit them to operate in their respective areas without affecting the surroundings nearby their areas.

4.7 Suggested possible solutions to alleviate challenges of micro-finance

Both institutions and individuals gave their suggestions on the possible solutions to alleviate challenges that faced micro-finance institutions towards efforts of women empowerment, the organizations insisted that every organization needed to give loans to right people. That is some loaners were not faithful; they did not deserve to get loans. so If the organization and the groups suspected one of the member was not faithful it was better for them to cut off the loan distribution to the said member; this finally reduces the burden of other members to repay for the lost member also the organization would be able to recollect the funds back on time.

There should be monthly visit to entrepreneurs business to see if they are using the entrepreneurship education in a respective manner, not only that but also to cross check on their income raised to see if they do improve or if they are going backwards. The sought of evaluation will make the entrepreneurs active for they know that; they are supposed to do a serious business, have clear accounts and well flow of activities. The program can also give answer to the organization on how the next loan should be for some of them work to repay the loan but real improvement in their business will not be seen so the organization may consider adding up the amount because the individual has done well in repayment, but giving her more loan may turn to be a burden as it is unclear whether the business can do well after increasing the amount of loan. In this way, it can help individual development and even if the loaner can increase the level of lending from time to time the organization will not get into problems for they will be assured of the repayment in a specified time.

Capacity building should not be only at the beginning when the customer goes to seek for loan, but it should be a progressive activity, this will also help customer to be aware of new phenomenon and challenges that happen daily in business and financial matters. During the capacity building the members will also present the challenges they meet in their daily activities; this will help the loan officers to note over what has to be improved also advice their loaners over how should they change or improve their daily activities for betterment.

It was suggested the institutions to educate the customers to be open to explain if they possess other type of loans so that they can be helped accordingly. This is important because when they possess multiple loans they get problems in repaying them in a given time. Some of the organizations can advice them to analyze where they see there is a small rate of interest and all other factors satisfy their needs so that they may place themselves in one of the organization to avoid failures in repayment at a given time.

Customers of the micro loans suggested that there should be a suggestion box that can help them to channel their views without fear, sometimes when there are some weaknesses in the management concerning the officers the customers fear to channel the view because they may be disqualified from accessing loans. A suggestion box will help to identify the staffs that are corruptive to be noticed by the organization and respective measures to be taken on them whether they may be fired or get warning over their actions to the customers for they end up failing the customers instead of empowering them.

In case of cooperative the body members they should be given financial management education, this will help them to question the financial officers on any query noted during auditing time and even in weekly reports. The education should also spread to members of the Cooperative societies so that they may be able to dig down and understand over how their resources are managed; this is not only the task of leaders to know over how everything is done but each member should know for these are own raised funds so each individual has a responsibility of exploring on their performance.

Increase number of cooperative officers: only three officers were noted to have a burden in ensuring the cooperatives had good progress, this task was to be performed by more than the current three officers. So the government should consider the need of employing more staffs dealing with cooperative matters so that they may have plenty time to audit, train, and report on the progress of the cooperative unions.

Cooperative officers should be given sufficient facilities and funds for conducting their daily activities including trainings to the customers; this can help their activities to flow smoothly for the education can help to cover up gaps of poor management of funds and all resources in the micro-finance.

4.8 Conclusion

Challenges for micro-finance towards women empowerment are caused by both customers and the financial institutions, each part has certain impact on the challenges that the customers feel as burden from the institutions due to unpredictable behaviors which exists and leads to in failure in repaying the amount they lend on time. If customers fail to repay on time it affects the whole system of lending others for the funds are not in the system as expected and staffs lose time making follow ups on one individual while others queue waiting for the same services from the same officer.

Customers facing bureaucracy, corruption, delay of funds and unfaithful staffs it affects them in a negative way, they give up over suddenly although they are in great need for they have nothing to give out as a bribe to influence the officers to work in a given time, and the little they earn has to be utilized well so that they may earn much in their business that will support them in their repayments. Earning too little made them use even the little they had to repay the loans and avoid embarrassment in failing to repay.

The existing opportunities has to be utilized effectively to help the clients gain the ability to repay on time; clients should borrow funds that they have ability to repay on a given time and the organizations should evaluate a client ability from time to time to see if they can be given more loan or more to the next level or rather stays at the same level due to the ability of repaying.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study was based on challenges of Micro-finance institutions towards women empowerment. The main objective of the study was to identify the challenges that the organizations faced in the process of empowering women. The study was specifically aimed at exploring the causes of the challenges faced by the micro-finance institutions in the process of empowering women, assessing the strengths and opportunities found in Moshi Municipality micro-finance institutions for women empowerment and suggest possible solutions to alleviate the challenges that faced the institutions towards women empowerment. This chapter provides conclusions based on the results from the findings of the study and recommendations.

Both qualitative and quantitative approaches were used to gather the required information which responds to the set main and specific objectives of the research. In questionnaires, interview and focused group discussion, the approaches expressing the flow of services, amount of funds supplied to the customers, what are the strengths and opportunities noticed around the Municipality and what are the possible suggestions for alleviation of challenges of micro-finance institutions towards women empowerment were used.

5.2 Conclusion

The data obtained from the research have shown that there are several challenges that have been pointed out by both institution and the customers on the micro-finance service delivery towards women empowerment. The pointed challenges are such as politics, poor repayment, insufficient working tools to cooperative officers, Lack of financial management education to body members of cooperatives, insufficient number of cooperative officers, Insufficient funds all these were portrayed by the micro-finance officers. But on the other hand, the customers of micro-finance services had their own challenges that they perceive that are facing the institutions towards their empowerment, which include bureaucracy, corruption, high interest rates, delay of funds, repayment time is too short, insufficient amount, unfaithful group members, Group system fails customers to access loan on time, repaying for fellows who fail to repay, unfaithful staffs.

All mentioned factors are visible factors and they have led to disempowerment instead of empowerment, the organizations has to undergo thorough evaluation process from time to time to see if they meet their goal with great achievements or the achievements are hindered by something else. Corruption leads to a lot of challenges as observed that may lead to bureaucracy, delay of funds, and even loss of visions to the customers for some may be focusing on a certain business that flows well seasonally when the targeted time passes they fail to make up their minds fast and change for some rely on seasons and make a large profit.

From the challenges several causes have been pointed out that make the weaknesses to recur, the mentioned causes are such as poor organizational structure, great depression and inflation these causes are structural and financial causes that if the organization is lead well and everyone be responsible for the duties that they are given and perform them on time, the bureaucracy, corruption and delay of funds will never happen and will help the customers to focus on their vision. If people are stable financially and government likewise they will be having motive of working hard, the stability of financially status also makes a person psychologically fit and ready to work to multiply the his or her income and that is how the depression and the inflation will be addressed.

A number of strengths and opportunities are observed for women empowerment in Moshi Municipality including, availability of financial institutions, availability of funds, the area being in a town area where business can possibility flow due to the availability of good infrastructure, and availability of entrepreneurship education to the customers that gives them a broad understanding on operating business and skills to manage funds they raise. The expressed strengths and opportunities are important and basic towards empowerment if only utilized well by the people around it. Many people may focus on empowerment, but when financial facilities are not available, facilitators and the practical environment and motives behind to do so then the exercise will cease for the availability and readiness leads to better implementation, but the availability or readiness when stands alone nothing can be implemented to achieve a goal.

5.3 Recommendations

In order to alleviate challenges faced by micro-finance institutions towards women empowerment the researcher has come up with the following recommendations given by the respondents who are staffs of micro-finance institutions, customers, and officers responsible for auditing and guide of micro-finance institutions to operate in a respective manner according to the set by-laws .

Loan has to be give to right people in a right time: this will reduce the burden of the organization to make follow ups on unfaithful people who lend and disappear with the loan, also the time factor is very important for it gives a client to utilize the funds on time and meet the needs or the expected mission ahead of them.

There should be a suggestion box at the institution: this will enable the customers to channel their problems without fear especially in case of poor services, unfaithful staffs, and poor management of the organization. The institutions have to realize that empowerment is like a development process so it needs participation and ideas from both parties to see what is best for the customers, for organizations have their own system of service delivery, but may not please the customers or may not be effective as the other system that clients may see that is best for their setting. So organizations should encourage clients participation so that they may match together in achieving the same goals for it has impact on both clients and the organizations as well.

Evaluation on clients business has to be done from time to time this will give room to the organization to give new advice to the customers on how to run their business and also it will be a time for the customers to learn new techniques for business operations. Not only that but also the performance of the client will give chance to the organization to evaluate on how much a client should keep on receiving and for how long to avoid supply of much funds to the client that at the end of the day lead to failure in repaying.

Capacity building to the customers should be a progressive issue that whenever there is a need clients should be imparted with the skills they need when customers meet for trainings from time to time they share experience and each feels that they need more effort to do something just by learning from fellows it will motivate them to be more active.

The government should stabilize funds on the cooperative department to support the officers to conduct training on cooperatives existing which will help the government to create jobs not only for the youth, but to all adults that will lessen the burden of the government in creating jobs opportunities for people will have self knowledge that they will utilize in self groups in rising income daily which will address the problem of poverty.

Increase number of cooperative officers; the government should consider the need of employing more staffs dealing with cooperative matters so that they may have plenty of time to audit, train, and support the self groups developed by community members to make sure that they operate in a respective manner and deliver satisfied services to its customers. The training will also open up minds of the community members on different existing funds like presidential funds that they will understand how they flow and be ready to utilize the services in a respective manner not in a political way thinking that the government provides free funds to its people without asking or making follow ups on repayments.

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APPENDIX

QUESTIONNAIRE FOR CUSTOMERS OF MICRO-FINANCE SERVICES

My name is Stella E. Kyara.

I am a student at Mzumbe University, Development Policy course I am conducting a research on “Challenges of Micro-finance Institutions towards women Empowerment in Moshi Municipality as a partial fulfillment for award of Post-graduate Degree in Development Policy. Kindly, I request you to fill in questionnaire and the information collected will be confidential and used for the purpose of this study to enhance positive changes towards women empowerment in our society.

I will highly appreciate your contribution thank you very much.

A. SOCIAL ECONOMIC CHARACTERISTICS.

1. Age of the respondent ( )

2. Marital status of the respondent ( )

Married 1

Co habiting 2

In polygamous relationship 3

Separated/ Divorced 4

Widow 5

Single 6

3. Did you ever attend school? ( )

No 1

Yes 2

i.) If yes what is the highest level of your formal education?

Incomplete Primary 1 ( )

Complete Primary 2

Incomplete Secondary 3

Complete Secondary 4

Other Specific 5

4. What is your occupation? ( )

Farmer 1

Entrepreneur 2

Civil Servant 3

Others Specific 4

i.) Do u have any other source of income apart from your current employment?

No 1 Yes 2

ii) What is your average income per Month? ....

B. GENERAL KNOWLEDGE QUESTIONS.

5.) Are you aware of micro-finance institutions? ( )

No 1 Yes 2

If yes explain what they are…………………………………………………………

6.) Do you involve yourself in any of the micro-finance institutions?

No 1 Yes 2 ( )

i.) For How Long? ....

ii.) What is the name of the micro-finance institution (s) that you involve yourself with?

................................, ..., ..., ...

iii) What kind of services do they provide specifically the micro-finance you involve yourself with?

Loan only	1
Loan and entrepreneurship education	2
Loan and health education	3
Loan and health services	4
Mention other services	5

………………………………………………………………………………………

………………………………………………………………………………………

7.) Is your Partner aware that you are involving yourself in micro-finance services?

No 1 Yes 2 ( )

If no why? Explain...

If yes what is his attitude towards your involvement in the Micro-finance services?

....

...

8) Do you access loan like individuals or group? ....

i) If in group wise, how many people are to be involved? ....

ii) What is the kind of collateral that is acceptable for loan access in the organization that you are involved in? ……………………………………………………………

9) How much did you earn last time? ....

Did you wish to get more than that? ( )

No 1 Yes 2

Why? ....

10) How is the Mode of Repayment? ( )

Per week 1

Per two weeks 2

Per month 3

Per three Month 4

Per six months 5

Any other mode, Mention 6

11) Did you ever failed to repay back your loan? ( ).

No 1 Yes 2

i)If Yes what was the reason behind your failure to repay back?

....

ii) What benefits do you earn by involving yourself in micro-finance services?

....

....

12) How do you use the funds? ………………………………………………………..

……………………………………………………………………………………..

13) What are the challenges that you face towards access of micro-finance services in your area?

....

i) What should be done to alleviate the challenges?...................................

....

Thank You for your Cooperation

INTERVIEW QUESTIONS FOR MFI STAFFS

My name is Stella E. Kyara.

I am a student at Mzumbe University, Development Policy course I am conducting a research on “Challenges of Micro-finance Institutions towards women Empowerment in Moshi Municipality as a partial fulfillment for award of Post-graduate Degree in Development Policy. Kindly, I request for your cooperation in answering questions regarding your institution and customers you save. The information collected will be confidential and used for the purpose of this study to enhance positive changes towards women empowerment in our society.

I will highly appreciate your contribution thank you very much.

INTERVIEW QUESTIONS TO MFIs STAFFS

1) What is the name of your organization?

2) For how long have you been delivering micro-loan services in Moshi Municipal?

3) Is your organization legally registered in providing micro-finance services?

4) What is the number of worker do you have in your organization?

i) What skills do your staffs have?

ii) Does your organizational structure flow support you to deliver your services well?

5) What kinds of criteria are considered for one to access loan?

6) What kind of loans do you provide to your customers?

i) Apart from micro-finance service what other services do you deliver for women empowerment

7) What are your interest rates regarding the types of loans that you provide?

8) What kind of collateral do you accept for the customers seeking for loan?

9) Where do you get funds for operating micro-finance business in your organization?

10) Are legal frameworks supports you well in your service delivery?

i) How far have you achieved in empowering women through micro-finance services delivery?

11) What are the challenges that you face in your service delivery?

12) What are the causes of challenges that your organization face in service delivery?

13) What should be done to alleviate the challenges that your organization face?

INTERVIEW QUESTIONS TO MUNCIPAL OFFICIALS

Co-operative officers

1) What kind of micro-finance institutions that your department administers?

2) What roles do you play to make sure that they are operating in acceptable manner?

3) What challenges do you face in ensuring that they are operating in respective manners?

4) What should be done to overcome the challenges?

WEO and MEO

1) Are there any micro-finance institutions/ service operating in your area of work?

2) If yes are there any roles that you play to make sure that they are sustainable and they play best roles in their service delivery?

3) What challenges do you face in your area pertaining the operation of the micro-finance institutions existing in your area of work?

4) What should be done to overcome the challenges in your area of work?

FOCUSED GROUP DISCUSSION FOR MFIS CUSTOMERS

My name is Stella E. Kyara.

I am a student at Mzumbe University, Development Policy course I am conducting a research on “Challenges of Micro-finance Institutions towards women Empowerment in Moshi Municipality as a partial fulfillment for award of Post-graduate Degree in Development Policy. Kindly, I request you to participate in focus group discussion regarding micro-finance institution operations in your area. The information collected will be confidential and used for the purpose of this study to enhance positive changes towards women empowerment in our society.

I will highly appreciate your contribution thank you very much.

FGD

1) What is micro-finance?

2) What kind of services does micro-finance institutions provide in your area?

3) In which mode do you access the services?

4) What are the bonds or collaterals that you pay in order to access the services?

5) How is the repayment mode? Is it comfortable?

6) How are interest rates that organizations have placed for your loans?

7) Are the interests manageable?

8) What challenges do people and the institutions face in the process of service delivery?

9) What should be done to alleviate challenges that micro-finance institutions and individual customers face in your perspectives?

Thank you for your contributions

DODOSO KWA WATEJA WA VYAMA VYA KUWEKA NA KUKOPA

Jina langu ni Stella E. Kyara.

Ni mwanafunzi katika chuo kikuu Mzumbe fani ya Sera na Maendeleo, ninafanya utafiti kuhusiana na changamoto zinazowakabili vyama vya kuweka na kukopa katika kuwa wezesha wanawake kiuchumi Katika Manispaa ya Moshi. Utafiti huu ni sehemu ya Ukamilisho wa tuzo ya shahada ya uzamili kwenye Maendeleo ya Sera, Hivyo ninakuomba ushiriki katika kujaza dodoso na taarifa utakazotoa zitakuwa ni siri na zitatumika kwaajili ya utafiti huu ili kuleta mabadiliko chanya katika uwezeshaji wa wanawake katitka jamii.

Ninashukuru kwa Ushirikiano wako.

SEHEMU YA KWANZA.

MASWALI YA KIJAMII NA KIUCHUMI

1. Umri wako …………………..

2. Hali ya ndoa ( )

Sijaolewa 1

Nimeolewa 2

Tumetengana 3

Mjane 4

3. Ulibahatika kusoma? ( )

Hapana 1

Ndiyo 2

i) Kama ndiyo kwa kiwango gani? ( )

Elimu ya Msingi 1

Elimu ya sekondari 2

Chuo 3

Mengineyo …………………………………..

4. Unafanya kazi gani? ( )

Mkulima 1

Mfanyabiashara 2

Muajiriwa wa serikali 3

Mengineyo ………………………………….

i) Mbali na kazi uliyonayo unachanzo kingine cha mapato? ( )

Hapana 1

Ndiyo 2

ii) Wastani wa mapato yako kwa mwezi ni kiasi gani?

…………………………………

B. MASWALI YA UFAHAMU

5. Je unafahamu vyama vya kuweka na kukopa? ( )

Hapana 1

Ndiyo 2

Kama ndiyo elezea ni nini? ………………………………………………………….

……………………………………………………………………………………..

6. Je unashiriki kwenye vyama vya kuweka na kukopa? ( )

Hapana 1

Ndiyo 2

i) Unashiriki kwenye chama kipi cha kuweka na kukopa? ………………

ii) Umeshiriki kwenye vyama hivyo kwa muda gani? …………………...

iii) Ni huduma gani zinatolewa kwenye chama hicho ( )

Mkopo tu 1

Mkopo na elimu ya ujasiliamali 2

Mkopo na elimu ya afya 3

Mkopo na huduma ya afya 4

Taja huduma nyinginezo……………………………………………………

7. Je mwenzi wako anajua unashiriki kwenye chama cha kuweka na kukopa?

Hapana 1 ( )

Ndiyo 2

Kama hapana kwanini elezea …………………………………………………..

……………………………………………………………………………………..

Kama ndiyo je mwenzi wako ana mtazamo gani kuhusiana ushiriki wako katika vyama vya kuweka na kukopa?

………………………………………………………………..

8. Je mnapata mkopo kwa mfumo gani?

Binafsi 1

Kikundi 2

Mfumo mwingine …………………………

i) Kama ni kikundi mpo wangapi? ………………….

ii) Ni dhamana ipi inakubalika na shirika unalopata mkopo?

………………………..