

**MICROFINANCE AND POVERTY REDUCTION AMONG
WOMEN: THE CASE OF BRAC IN DODOMA
MUNICIPAL COUNCIL**

**MICROFINANCE AND POVERTY REDUCTION AMONG WOMEN:
THE CASE OF BRAC IN DODOMA
MUNICIPAL COUNCIL**

By

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**A Dissertation Submitted in Partial Fulfillment of the Requirement for the Award of the
Degree of Master of Science in Development Policy (Msc. DP) of Mzumbe University**

2013

CERTIFICATION

We undersigned, certify that we have read and hereby recommend for acceptance by Mzumbe University, a thesis entitled **Microfinance and Poverty Reduction among Women: The Case of BRAC in Dodoma Municipality**, in partial fulfillment of the requirement for the award of the degree of Master of Science in Development Policy of Mzumbe University.

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DEDICATION

I would like to dedicate this work to my beloved Husband Mr. Hamisi Bakari Isimbula and my precious beautiful daughter Sumaiya Hamisi Isimbula. This work is also dedicated to my late sister Arafa Bakari Omari who was always encouraging me during my studies.

ABBREVIATIONS

BRAC	Bangladesh Rural Advancement Committee
FINCA	Foundation for International Community Assistance
IGAs	Income Generating Activities
ILO	International Labour Organization
LGA	Local Government Authority
MFI	Micro Financial Institutions
NGOs	Non Governmental Organizations
NPES	National Poverty Eradication Strategy
PRIDE	Promotion of Rural Initiatives and Development Enterprises Limited
PTF	Presidential Trust for Self-Reliance
SACCOS	Savings and Credit Cooperatives Organizations Society
SEDA	Small Enterprise Development Agency
SELF	Small Entrepreneurs Loan Facility
SMEs	Small Medium Enterprises
TASAF	Tanzania Social Action Fund
URT	United Republic of Tanzania
WDF	Women Development Fund
YDF	Youth Development Fund

ABSTRACT

The main objective of this study was to examine the impact of loan provided by BRAC in reducing poverty among women in Dodoma Municipality. The study used cross sectional research design to achieve this objective. The target group was between women who had secured loans from BRAC and women who had not secured loans from any financial institutions at the time of the study.

The study employed two main data sources, questionnaire and interview guide. The sample size was 100 respondents of which 47 were women who had secured loans from BRAC; 47 women who had not secured loans from financial institutions and 6 officers from BRAC. Differences in poverty levels between loan beneficiaries and loan non-beneficiaries were analyzed using an independent sample t-test and chi-square test. Differences were observed among five poverty indicators, namely income, savings, assets, education and health.

Findings indicate that BRAC reach poor women in Dodoma Municipality as most of the loan conditions are affordable for even to very poor women. However, the findings revealed that no association was found between assets ownership, savings, access to better health services and better education with respect to being a BRAC member.

Moreover, it was found that majority of women did not face any major constraint during loan processing, but some of them complained on delays, long process and hard conditions. The control group (non-beneficiaries) had no plan to secure loans from BRAC due to various reasons including interest rate, amount of loan given and hard conditions.

This study recommends sensitization of the community on the potential of interest free financial services provided by some banks in Tanzania. Finally, areas for further research are given to enhance our understanding on the research topic.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Some two third of the world's population go to sleep hungry at night (Sharp, Register & Grimes, 2006). According to Desai and Potter (2008) over one billion of the world's six billion population live in absolute poverty, the same number suffers various degree of malnutrition, and millions have no access to safe water, health care or education and this kind of poverty is concentrated largely in countries described as developing countries. World Bank estimates that perhaps as much as one quarter of the world survives on no more than \$1 per day. According to Khan (2001), rural poverty accounts for nearly 63 percent of poverty worldwide; reaching 90 percent in some countries like Bangladesh and between 65 and 90 percent in sub-Saharan Africa. More than one billion people in the developing world are living in poverty (World Bank, 1990). World Development Report 1990 estimates that this is the number of people who are struggling to survive on less than \$370 a year.

Many poor countries in the last quarter of the twentieth century experienced quite a respectable rate of growth in living standards averaging to 2-3 percent per annum but the absolute number in poverty has continued to rise, and the distribution of income has become more unequal (Desai & Potter, 2008). According to Desai & Potter, (2008) at the global level, there is little evidence of the convergence of per capita incomes across nations therefore the poor countries have been growing but the rich countries have been growing as fast, if not faster in per capita terms. While the eradication of poverty and the narrowing of the rich-poor country divide remains one of the great challenges of the new millennium, economic growth in poor countries is not enough by itself for development to take place when viewed in a broader framework (Desai & Potter, 2008).

Sub-Saharan Africa which has suffered economic hardship since 1970s witnessed a rise in income poverty, with close to half the people on the subcontinent now living on less than a dollar per day (Desai & Potter, 2008). Africa's poor performance lays behind the low overall fall in the number of poor from 1.2 billion in 1987 to 1.03 billion in 2002 hence Africa's share in this total rose from 12 to 30 percent over this period where as Asia's fell from 80-64 percent (Desai & Potter, 2008). On the other hand, the Africanization of poverty is also evident when considering other poverty measures including health but the positive news is that, in line with the long-run improvement in social indicators across the developing world and mortality rate have been falling giving future the situation of Africa will improve than elsewhere (Desai & Potter, 2008). So the continent will account for close to two-thirds of the world's under five deaths in the coming decades (Desai & Potter, 2008).

With regards to Tanzania, it still ranks among the poorest countries in the world (Malyamkono & Mason, 2006). According to the government, a third of all Tanzanians are living in absolute poverty, while some 20 per cent live in abject poverty (Malyamkono & Mason, 2006). Poverty rates remain highest in rural areas: 37.6% of rural households live below the basic needs poverty line, compared with 24% of households in other urban areas and 16.4% in Dar es Salaam (HDR, 2009). Given the large proportion of Tanzanian households that rely on farming for their livelihoods and the high rate of rural poverty, the overwhelmingly majority (74%) of poor Tanzanians are primarily dependent on agriculture (HDR, 2009).

Poverty in Tanzania is characterized by low income and expenditure, high mortality and morbidity, poor nutritional status, low education attainment vulnerability to external shocks and exclusion from economic, social and political process (Kessy & Tostensen, 2008). Though poverty is particularly widespread in rural areas there are significant regional differences in levels of poverty and in the relative importance of different aspects of poverty (Kessy & Tostensen, 2008).

Those particular at risk are young children, youth, the very old, women, those in large household and those involved in subsistence agriculture, livestock production and small scale fishing (Kessy & Tostensen, 2008).

While there is some progress made in the fight against poverty since independence, poverty remains a persistence problem in Tanzania (Kessy & Tostensen, 2008)

The fight against poverty may take various forms and many governments have some dedicated institutions or departments. In general, the government can directly help those in need (Altay, 2007). However, another method in helping to fight poverty is to use microfinance system. Microfinance tries to fight global poverty and bring opportunities to the world's poorest people (Altay, 2007). Since in the 1970s, and especially since the new wave of microfinance in the 1990s, microfinance has come to be seen as an important development policy and a poverty reduction tool (Stewart, Majoro & De wett, 2010). According to Stewart *et al.*, (2010), the main value proposition put forward on behalf of micro-credit for the last quarter century is that it helps lift people out of poverty by raising incomes and consumption, not just smoothing them.

Ledgerwood, Earne and Nelson' (2013) added that Microfinance is now seen as an integral part of an inclusive financial system. Policy makers recognize the potential for economic growth and poverty alleviation through the development of a more inclusive financial services sector (Ledgerwood *et al.*, 2013). Of course, microfinance approach does not offer sufficient solutions to reduce poverty; but with tiny loans and financial services, it helps the poor, mostly women, start businesses and escape poverty (Altay, 2007). Micro-finance programs targeting women have become a major plank of donor poverty alleviation strategies in the 1990s and funding is set to further increase into the next century under governments, Non-Governmental Organizations (NGO's), some initiatives and donor agencies activities (Maclsaac,1997).

Micro-credit has proven its potential to generate results though these results are generally short-term and vary significantly among borrowers. In general, studies suggest the poorest seldom benefit from micro-credit, As it is, the middle and upper poor benefit the most for example women, who make up as many as 90 per cent of borrowers bear the brunt of poverty and have been left out of most poverty reduction programs in the Past (Maclsaac, 1997).

Numerous studies and evaluations have demonstrated a rise in incomes and other indicators of standard of living from micro-credit programs. Although, it is difficult to separate the impact of micro-credit from that of other interventions for example Women in particular faced significant barriers to achieving sustained increase in income and improving their status. And thus requiring complementary support in other areas, such as training, marketing, literacy, social mobilization, and other financial services that is loan consumption, savings, but recently micro-credit has contributed to changes in attitude about women's contribution to and in economic and social development (Maclsaac, 1997). Specifically, micro-credit has resulted in increased recognition of women's productive role (Maclsaac, 1997).

In his contribution on the importance of microfinance in poverty reduction, Mosley (2001) argued that in comparing with other anti-poverty measures, microfinance appears to be successful and relative cheap at reducing the poverty of those close to the poverty line. It is however ineffective when compared with labour-market and infrastructural measures, in reducing extreme poverty. It is also a strategy to reduce poverty by targeting the poor, who are often excluded by regular financial institutions because of a lack of sufficient physical collateral (Khandker *et al.*, 2010). Microfinance has been proven effective in fighting poverty by providing entrepreneurs with the necessary capital to start and expand their entrepreneurial activities (Altay, 2007).

Tanzania like many other countries fighting poverty prepared various sectoral and national policies as well as strategies to alleviate poverty.

Among other policies prepared, it was the National Microfinance Policy of 2000 with the overall objective of establishing a basis for the evolution of an efficient and effective micro financial system in the country. That serves the low income segment of the society and thereby contributing to economic growth and reduction of poverty. Once the National Microfinance Policy was implemented in 2001, microfinance was officially recognized as a tool for poverty reduction. With its increased use and exposure to the country, banks have taken an interest in offering microfinance.

Besides Banks, there are various microfinance Institutions providing microfinance services in Tanzania including FINCA, PRIDE, PTF, and SEDA just to mention a few.

Alongside the improvement of financial services, the government also focuses at providing opportunities for people to contribute to economic growth and poverty reduction. This is done through various empowerment instruments like trainings as well as funds established as specific subsidies by the government to boost availability of credits to the poor who remain alienated from the formal banking services. Some of the funds initiatives include Kikwete Fund, Mwananchi Empowerment and Employment Creation, Small Entrepreneurs Loan Facility (SELF), Loan Scheme in Local Government Authorities (LGAs) that is Women Development Fund (WDF) and Youth Development Fund (YDF), Tanzania Social Action Fund (TASAF II), Establishment of Savings and Credit Co-operative Societies (SACCOS).

1.2 Statement of the Problem

The major aim of microfinance is to reduce poverty (Nawaz, 2010). According to various studies microfinance has shown some improvement in poverty reduction and other studies have shown that microfinance has no contribution in poverty reduction. Therefore, there are mixed results regarding the role of microfinance on poverty reduction.

Studies which demonstrated a positive effect of microfinance on poverty include Khandker, Khalily, and Samad (2010), Mosley (2001), Kessy and Urio (2006), Chemin (2008) While another study in India (Banerjee, Duflo, Glennerster and Kinnan, 2009) claims that microfinance has no impact on participants' average monthly expenditure per capita, health, education or women's decision making.

It is widely assumed that micro-finance will have a positive impact on women's livelihood in: i) leading to higher income that will help women to better perform their reproductive role as brokers of the health, nutritional, and educational status of other household members;

ii) increasing women's employment in micro enterprises and in improving the productivity of women's income-generating activities, and iii) enhancing their self-confidence and status within the family as independent producers and providers of valuable cash resources to the household economy (International Labour Organization, 1998). Other positive effects added by Mosley (2001) are: it may enable the borrower to hire additional workers, whom can minimise the level of poverty and develop new economic activities stimulated by microfinance loans (both production and consumption). Ultimately this will raise their purchasing power of poor individuals and influence their level of poverty.

However, some studies have also reported negative impacts on women's income and employment, such as increased workloads and higher social pressure to ensure loan repayment (ILO, 1998). According to Mosley (2001), securing microfinance may expose a borrower to a higher risk of insufficient disposable income, which if it materializes may force her to sell assets in order to maintain her repayments, which may reduce her long-term income level.

Moreover, women often employ daughters and daughters-in-law as unpaid employees thereby increasing their workload (Mosley, 2001).

Finally, participation in credit schemes can lead to indebtedness that is unmanageable, simply because there are no sufficiently profitable income-earning activities in which to invest. In this situation, women may end up being even more dependant than they were before (ILO, 1998). Reciprocating to these different views prevailing concerning the impact of microfinance in poverty alleviation, and the fact that one research area does not necessarily represent another area; this study intended to examine the impact of Bangladesh Rural Advancement Committee (BRAC) as one of the microfinance in Tanzania in reducing women's poverty.

1.3 General Objectives

The overall objective of the present study was to examine the impact of BRAC in empowering women towards poverty reduction.

1.3.1 Specific Objectives

The specific objectives of this study were to:

- i. Determine whether BRAC reaches the poor women in Dodoma Municipality.
- ii. Explore types of income generating activities initiated by women after securing loans from BRAC
- iii. Determine whether BRAC has reduced the poverty of poor women in Dodoma Municipality.
- iv. Identify the constraints facing the beneficiaries of loans from BRAC

1.4 Research Questions

1.4.1 Research Questions

Based on the research objectives given above, this study was guided by the following four main research questions

- i. Does BRAC reach poor women in Dodoma Municipality?
- ii. What activities do women engage in after receiving loan from BRAC?

- iii. How does micro credit through BRAC reduce poverty among women in Dodoma Municipality?
- iv. What constraints do women face when accessing loans from BRAC?

1.5 Significance of the Study

The study provides useful information and knowledge on the status of women in accessing credit from microfinance institutions as well as examining the potential of MFIs in reducing poverty. This information is vital for policy makers in taking appropriate actions toward facilitating the establishment of comprehensive and sustainable financial institutions for the development of women. The study may also be of relevant to the development partners and civil society organizations involved in the provision of credit facilities to women in modifying the lending procedures and conditions to better serve the specific credit and savings needs of their clients.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the review of related literature in order to backup my study with existing knowledge. Section one contains definition of terms, namely poverty, micro-credit and BRAC. Section two contains theoretical framework and empirical evidence concerning microfinance and poverty reduction.

2.2 Conceptualization of terms

This study has used very important terms to clarify the concepts used to study Microfinance and poverty reduction among women. These terms are explained below.

2.2.1 Poverty

Poverty at its broadest level can be conceived as a state of deprivation prohibitive of decent human life (URT, 1999). This is caused by lack of resources and capabilities to acquire basic human needs as seen in many, but often mutually reinforcing parameters which include malnutrition, ignorance, prevalence of diseases, squalid surroundings, high infant, child and maternal mortality, low life expectancy, low per capita income, poor quality housing, inadequate clothing, low technological utilisation, environmental degradation, unemployment, rural-urban migration and poor communication (URT 1999). Poverty is pronounced “deprivation of wellbeing” (Houghton & Khandker, 2009). According to Houghton and Khandker, (2009), the conventional view links wellbeing to command over resources, so the poor are those who do not have enough income or consumption to put them above some adequate threshold.

Poverty may also be tied to specific type of consumption, for example people could be house poor, or food poor or health poor (Houghton & Khandker,2009). Poor people often lack key capabilities; they may have inadequate income or education or be in

poor health, or feel powerless or lack political freedoms (Houghton & Khandker, 2009).

Poverty describes a situation in which households are placed below a socially defined minimum level of wellbeing, usually manifest in hunger, sickness, powerlessness, illiteracy etc (URT, 2004). Poverty is caused by both internal and external factors. Whereas the internal causes can be clustered into economic, environmental and social factors, the external causes are related to international trade, the debt burden and the refugee problem.

Poverty is acknowledged to be a multidimensional phenomenon and for this reason effective measures to address it require conceptualizing it not only as a lack of income or short fall in the expenditure required to achieve a certain minimally acceptable living standard, but also as a lack of capabilities that individuals require in order to live a meaningful and valued life in their societies (Kessy & Tostensen, 2008). Effective measures are thus those which are geared to reducing human poverty so as to create a society with people who live in an accepting society that is without fear of social exclusion (Kessy & Tostensen, 2008).

2.2.2 Micro-credit and microfinance

Micro-credit is the provision of small loans. According to the Micro-credit Summit in 2000, the definition of micro-credit is: small loans to very poor people for self-employment projects that generate income, allowing them to care for themselves and their families. Micro-finance is the provision of a range of financial services in addition to credit, such as options for insurance schemes or opportunities to save.

The terms, however are sometimes used interchangeably. For the purpose of this study, micro-credit, micro-finance, small loans and credit will be used interchangeably with respect to micro financial services.

Microcredit is a method for providing small amounts of capital to poor people so that they can improve their existing income-generating activities, or develop new ones, and is widely used in developing countries (Nawaz, 2010).

It is based on the principle of providing credit to individuals within a group, where each person in the group is mutually responsible for the credit repayment of the other members (Nawaz, 2010). This social collateral removes the need for physical collateral, which poor people generally lack as it is adopted by various microfinance institutions including BRAC, PRIDE, Women Development Funds. The term 'microcredit' has changed into 'microfinance' (MF) in recent times due to its wider role, as microfinance adds the provision of savings and insurance services to that of credit (Nawaz, 2010).

Microfinance system (approach) has taken a key developmental role to challenge poverty especially among women all over the world (Altay, 2007). According to Altay (2007) it focuses on two main aims as follows: the aim to reduce poverty especially for women, determine an individual ability to make use of financial solutions on the other hand microfinance system have some problems and difficulties one of them is to determine the level of poverty and of the poor or poorest people in the part of society (urban and rural), high interest rate level of microcredit, providing some changes between men and women relations and microfinance has a problem to understand clearly.

2.2.3 BRAC

Bangladesh Rural Advancement Committee (BRAC) started in 1972 at the end of Bangladesh Liberation War with a name of Bangladesh Rehabilitation Assistance Committee. In the same year, 1972 the name was changed to Bangladesh Rural Advancement Committee (BRAC) after extending her activities from relief rehabilitation operation to long-term community development. BRAC currently operate in ten countries in Asia, Africa and Caribbean and its work is estimated to affect lives

of 126 million people (BRAC, 2013). These countries are Tanzania, Sieraleone, Pakistan, Liberia, Afghanistan, South Sudan, Uganda, Srilanka, Haiti and Bangladesh.

BRAC's Vision entails, a world free from all forms of exploitation and discrimination where everyone has the opportunity to realise his or her potential while its mission is to empower people and communities in situations of poverty, illiteracy, disease and social injustice. Its interventions aim to achieve large scale, positive changes through economic and social programmes that enable men and women to realise their potential. The core values of BRAC are innovation, integrity, inclusiveness and effectiveness.

Globally BRAC deals with the following activities: advocacy for social change, agriculture and food security, community empowerment, disaster, environment and climate change, education, gender justice and diversity, health nutrition and population, human right and legal aid services, microfinance, road safety, safe migration, social enterprise, socially responsible investment, targeting extreme poor, technical assistance, water, sanitation and hygiene.

Microfinance part of BRAC was established in 1974, but in Tanzania commenced in 2006. Some of the services include microloans (Dabi) ranging from USD 100-1,000, given exclusively to individual women who are serviced by the village organizations, and microenterprise loans (Progoti) ranging from USD 1,000-10,000 given to both male and female entrepreneurs to support and help expand existing small enterprises which are too small to qualify for credit from mainstream banks (BRAC,2013).

In recent years, the programme has increased its efforts to strengthen and improve relationship with clients and enhance their trust in BRAC (BRAC, 2013). The organization has also successfully transitioned from a weekly to monthly loan repayment system for Dabi clients in roughly 40 percent of branches in areas with comparatively better socioeconomic conditions (BRAC, 2013).

BRAC's Microfinance activities work through a unique 'credit-plus' approach addressing the special needs of various target populations, such as rural women, youth and adolescents, the landless poor, marginal farmers, migrant workers and small entrepreneurs (BRAC,2013).

BRAC claims to bring collateral free credit and savings services to clients' door steps through village organizations made up of around 30 to 40 women from the local community (BRAC, 2013). These village organizations serve as a platform for women and allow them to come together, share information and raise awareness on issues concerning their daily lives (BRAC, 2013). BRAC is currently working in 44 districts and 104 branches in Tanzania in regions of Dar-es- Salaam, Zanzibar, Morogoro, Tanga, Iringa, Dodoma, Mbeya, Mwanza, Mara, Kagera, Shinyanga, Tabora, Singida, Arusha, Kahama, Manyara and Kilimanjaro. In Dodoma BRAC currently operates in two districts, namely Kondoa and Dodoma Municipality.

2.3 Fight against Poverty in Tanzania: A historical perspective

Poverty reduction has been a centre of development policy in Tanzania since the early 1960s. After independence, Tanzania inherited economic structure which grossly neglected the social welfare of the local population and one which was sternly poised to serve external interests set up by colonial regime.

In this situation, employment opportunities were extremely limited whereby the majority around 90 per cent of the population worked on their own land as subsistence farmers, while other sectors like manufacturing was small, owned by foreigners in which product were mainly processed primary commodities for export, health sector was poor based on urban areas and education was accessed by few people (URT, 1997).

Soon after independence, dramatic state interventions were initiated to reduce economic and social inequalities in resource distribution and control (URT, 1997). National campaigns, namely *uhuru na kazi*, *uhuru ni kazi*, *siasa ni kilimo*, *kilimo cha kisasa* and *kilimo cha umwagiliaji* were launched as a base for development and self reliance as well as increase incomes and ensure food security, enhance employment opportunities and largely to improve small holder farmers through better farm practice and the use of improved technologies.

The first major commitment to poverty reduction was expressed in the first year plan launched in 1964. In the following years, the government adopted a number of initiatives to ensure an all-inclusive development process through various social policies including the Arusha declaration (Kessy & Tostensen, 2008).

In the mid 1990s, Tanzania started articulating once again its commitment to poverty reduction through the preparation of various policy and strategy documents, notably vision 2025, and the National Poverty Eradication Strategy (NPES) (Kessy & Tostensen 2008). The National Poverty Eradication Strategy was the first document concerning poverty reduction whereby it was prepared in 1997. The document laid five key sectors upon which development could be built: education, health and nutrition, water, agriculture and rural roads (Malyamkono & Mason, 2006). The National Poverty eradication aims at providing guidance for stakeholders and the poor themselves to identify, implement and evaluate their own programmes and enable different stakeholders to put poverty eradication programme as part of their overall development plans and programmes (URT, 1997).

The strategy embodied some basic principles, namely integration between sectors of the economy, increasing capacity and popular participation, and the complementary development of public and private sectors (Malyamkono & Mason, 2006).

In 1999 the government prepared the Vision 2025 which seeks to realize patriotism, nationalism and strengthen national cohesion of all the people in society, taking into consideration current environment in the economic, political and other factors (URT, 1999).

Tanzania is expected to have high quality livelihood, peace, stability and unity, good governance, a well educated and learning society and a competitive economy capable of producing sustainable growth and shared benefits.

Other strategies are the Poverty Reduction Strategy Paper and the Tanzania Assistance Strategy both produced in 2000. The PRSP is the Medium-term strategy of poverty reduction, developed through broad consultation with national and international stakeholders, in the context of the enhanced Highly Indebted Poor Countries (HIPC) Initiative (URT,2000) The PRSP recorded the extensive consultation that had taken place in its preparation (Malyamkono & Mason, 2006). Domestic stakeholders included not only members of parliament but also those at the grass roots who, at the series of zonal workshop, identified priority concerns and requirements (Malyamkono & Mason, 2006). This strategy involved international development Partners.

The Tanzania Assistance Strategy is the Medium-term national strategy of economic and social development, encompassing joint efforts of Government and the international community (URT, 2000). The strategy approach advocated improved coordination between donors and the government to make the most effective use of the funds available (Malyamkono & Mason, 2006).

Currently the government is implementing the National Strategy for Growth and Reduction of Poverty popularly known as MKUKUTA in Swahili, the first phase was implemented in 2005- 2009 now the Strategy is in its second phase.

This strategy was designed to add to the previous efforts including the Vision 2025 and the Millennium Development Goals. Goals, targets and strategies were grouped into three main clusters: Growth and reduction of income poverty, improvement of quality of life and social wellbeing; and the governance and accountability (Malyamkono & Mason, 2006). Monitoring and evaluation of this strategy is done and the data are given through the national Poverty Monitoring System.

2.4 Indicators of poverty

As discussed in section 2.2.1, poverty is a multifaceted construct. Therefore, under this study the following five indicators of measuring poverty are examined: income, assets, savings, and access to better health services and access to better education for the children.

2.4.1 Access to better education for the children

Education plays a key role in poverty alleviation through provision of basic skills to increase productivity and achieve higher standards of living (Yahie, 2000). This is especially in line with the fact that poverty is a complex issue that requires to be tackled by using all fronts. This includes education as a vital tool for poverty reduction cannot be underestimated as no country has successfully eradicated poverty without educating its people (Kanty, Mtey & Sulle, 2013). However, in Tanzania the quality of education appears to have had serious repercussions in terms of equity and poverty reduction as parents lack faith and confidence in public schools (Wedgwood, 2005). Hence poor quality of education has culminated in the rise of the private tuition industry because of poorly paid teachers who feel that they need to subsidize their salaries with extra work (Wedgwood, 2005).

Generally, the education system in Tanzania has continued to face many challenges in all levels, but the problems are more acute at both primary and secondary level while these levels of education are critical for poverty reductions as they allow many people to access and receive education (Kanty, Mtey & Sulle, 2013).

Unfortunately, it is where the problems are more severe: Schools lacked sufficient classrooms, laboratories furniture and textbooks (Kanty, Mtey & Sulle, 2013). Based on these circumstances, parents become ready to pay high price for education services from private schools. Private schools are very expensive for a normal citizen and thus may be used as indicator of wealth.

2.4.2 Access to better health services

Improved health is a key element in any efforts to enhance labor productivity and hence income generation capacity as well as health status is also a major determinant of school attendance and educational performance (Yahie, 2000). According to Yahie (2000) a key element of most health strategies for the poor is the provision of community-based health systems, which give greater emphasis on preventive rather than simply curative methods.

Health help families escape some of the vicious cycle of poverty in which they are trapped in at the same time the most important root cause of poor health in developing countries is poverty itself (Todaro & Smith, 2006). Nevertheless, health services are expensive and non-free even for the poorest citizens despite that the service is a basic need for humans.

In analyzing household's living standard four types of indicators are used including nutritional status, disease status, for example, infant and juvenile mortality and morbidity rates as related to certain diseases such as malaria, respiratory infections, diarrhea, and sometimes poliomyelitis (Houghton & Khandker, 2009).

Others are availability of health care services such as primary health care centers, maternity facilities, hospitals and pharmacies, basic health care workers, nurses, midwives, doctors and traditional healers; and medical service such as vaccinations and access to medicines and medical information as well as the use of these services by poor and non poor households (Houghton & Khandker, 2009).

When people become ill, they need treatment and care however they can be expensive in terms of using up money and/or assets (URT, 2004). To overcome the problem the government has introduced cost sharing; however, many studies have shown that it puts health care services beyond the reach of the poorest people (URT, 2004).

According to Household Budget Survey (2002), 58.7% of people who were asked said that they did not consult a health care provider when they should have because it was too expensive to do so. Therefore, there are cases where people treat themselves using traditional and commercial medicine and if they have enough knowledge and money this can be successful.

2.4.3 Income

Income is crucial if basic needs are to be met in a sustainable manner (Deutscher & Raiffeisenverband, 2005). Yet income is only generated by individuals who have an opportunity to take part in economic activities and it is possible to save only if there is an adequate level of income (Deutscher & Raiffeisenverband, 2005). In recent years it has been recognized that an important condition for poverty reduction is the availability of a range of appropriate and accessible financial services for poor urban and rural households (Yahie,2000). However, in most African countries banks have made little effort to reach this potential clientele. This is because of high cost of managing small loans and handling savings accounts with low average balances and frequent deposits and withdrawals.

Thus a variety of grassroots organizations, credit unions, savings and credit cooperatives, village banks and non-governmental organizations (NGOs) have become active in micro-finance activities in rural and urban areas. The purpose is to generate incomes (Yahie,2000). In general, from a macroeconomic point of view, the degree of society's ability to consume and invest depends on the level of income they earn. Therefore, income may be used to compare the level of poverty among groups of people in the society.

2.4.4 Savings

According to Maceda, (2013) the importance of saving should not be under estimated as savings give people a sense of security when something unfortunate happen such as losing a job or dealing with an expected medical expenses.

On the other hand, it also helps people meet their short and long-term goals including children tuition, an expensive holiday or comfortable retirement (Maceda, 2013). Likewise according to Bagachwa (1995) savings from micro-loans can be used to finance education of children, to meet needs such as funerals and weddings and to invest or expand businesses.

Unfortunately the culture of saving has not yet gained in many countries around the world. For example, in United Arab Estates (UAE) based on National Bond saving index released on December 2012, only 1% of residence in UAE would consider their savings as more than enough for their future (Maceda, 2013). The culture of saving is also not encouraging in Tanzania as people do not know real the importance or they are unable to save due to various reasons including inadequate income. However, many microfinance institution practitioners focuses entirely on credit and forget the vital importance of savings which enable people to cope with irregular incomes and emergencies when they can, to avoid slipping into periods of real deprivation (microfinance lesson). From a Keynesian macroeconomic perspective, savings is for investment after consumption and depends on the level of income.

2.4.5 Assets

Refer to any economic value owned by an individual or corporation, these assets includes financial, human, social and physical assets which can be categorized into productive asset and household physical asset (Cohen & Sebstad, 2000). Certainly physical assets are much easier to observe and quantify.

(Cohen & Sebstad,2000) financial assets are harder to get at, but they too can be inventoried at one point in time and compared to the inventory at a later point in time while human and social assets are often ill-defined, but if defined clearly, they can be observed with some reliability.

Loans are often used to build an enterprise's or a household's inventory of physical assets that is productive assets," which can be used to generate income without actually selling the asset itself, and other household physical assets which only generate cash when sold off.

Regarding productive assets, a review of ten microcredit impact studies that looked for changes in enterprise assets was done in seven of ten countries.

There was positive change in the value of fixed assets among borrowers enterprises while in another program studied in Malawi, one quarter of client enterprises increased their assets, one half had no change, and one quarter had no assets to begin with, yet another study of a program in the Philippines found that the value of livestock and accumulation of capital in machinery, tools, and equipment went up substantially with the number of loans (Cohen & Sebstad, 2000)

Another research on BRAC members in Bangladesh found that successive loans lead to a buildup of assets over time and that the structure of assets shifts in favor of more productive assets, hence asset accumulation seems to increase with the cumulative value of loans taken, generally associated with duration of participation in the microfinance program (Cohen & Sebstad, 2000)

2.5 Theoretical framework

The Theoretical framework for this study was based on Social Capital Theory. According to Rankin (2002), this theory was discovered by Robert Putnam (1993).

Policy makers increasingly rely on theories of social capital to fashion development interventions that mobilize local social networks in the alleviation of poverty (Rankin, 2002). Increasing evidence shows that social cohesion is critical for societies to prosper economically and for development to be sustainable (Claridge, 2004).

The potential of such theory lies in its recognition of the social dimensions of economic growth which has inspired some innovative approaches to development, such as the now-popular microfinance model (Rankin, 2002). Also the potential of social capital theory lies in its recognition of social networks and associational life as resources for fueling development from the bottom up as well as inspired the World Bank and other mainstream development agencies to endorse that model through which the poor receive credit on the basis of their membership in self-regulating “solidarity” groups (Rankin, 2002).

Donors thus consider microfinance to be a “win–win” approach to development because investors can mobilize bonding social capital to enhance the financial viability of banking with poor women, and poor women gain access to both social and financial resources (Rankin, 2002).

Therefore in Social Capital people engage in networks and forms of association, the argument goes, they develop a framework of common values and beliefs that can become a moral resource or the glue that holds a community together that allow them to help themselves through the market mechanism (Rankin, 2002)

Social capital has been defined differently in various literature reviews as follows: individuals from the same neighborhood or cultural group share more common acquaintances and expect to interact more with each other in the future (Karlan, 2002).

Another definition given by World Bank states that Social capital refers to the institutions, relationships, and norms that shape the quality and quantity of a society’s social interactions.

Social capital is not just the sum of the institutions which underpin a society it is the glue that holds them together. World Bank social capital popularly defined as local forms of association that express trust and norms of reciprocity can contribute significantly to the alleviation of poverty worldwide (World Bank, 2001) .

The following are some of the importance of social capital, First, social capital is seen as a potential contributor to poverty reduction and sustainable development; however, increasing efforts are being made to identify methods and tools relevant to social capital (World Bank, 2001), secondly, group lending helps overcome the prohibitively high fixed cost of delivering small loans (Karlan, 2002), thirdly helps correct for imperfect information about borrowers lacking in formal credit and employment histories and fourthly, substitutes for collateral by ensuring against default through social sanction and peer enforcement (Rankin, 2002). Social capital within civil society could facilitate efforts to privatize state-owned industries in a social environment where the rule of law is weak (World Bank, 2001).

In general, the social capital theory is seen as important in studying microfinance serving the poor and women in particular. Women, join groups and receive loans using groups as social collateral. These groups are used to reduce risks and uncertainty on the part of microfinance institutions and reduce asymmetric information associated with individual customer. Risks are spread and diversified among all the group members. Monitoring costs are also reduced because group members monitor themselves.

2.6 Review of Empirical Studies

2.6.1 Empirical Studies outside Tanzania

Mosley (2001) conducted a study in Bolivia using four institutions, namely BancoSol, ProMujer, PRODEM and Fundacion SARTAWI to assess the impact of Microfinance and poverty reduction in Bolivia.

In all the institutions, there was higher change in income for participants of microfinance as compared to non participants (control group). In general there was an empirical support that microfinance is an efficient means of reducing poverty but not extreme poverty. The average estimated cost of moving individual from poverty is between \$300 and \$600 across the poverty line but depend on the organization.

However, in the same study, the author noted saving as a critical issue since it was not possible for the very poor to save within microfinance system especially in rural areas. Another important issue noted by the same author was appropriate insurance was not resolved considering that microfinance clients both in rural and urban were highly vulnerable and open to risk of de-capitalization.

Imai and Azam (2012) conducted a four round panel survey in Bangladesh which indicated that loans provided by microfinance institutions had significant poverty reducing effect particularly on income and consumptions in Supporting similar results, Khandker , Khalily and Samad (2010) found that microfinance institutions contribute to poverty reduction. Specifically, Khandker (1998) assessed the impact of microfinance in Bangladesh using three institutions, namely BRAC, Grameen and RD-12 and found that MFIs contributed to increase in assets of beneficiaries, increase in income and increasing consumption for them and their children and contribution to other measures of welfare such as schooling.

The results represent only the short run effect of micro-credit programs. Authors went on commenting that whether these effects are sustainable overtime remains to be seen and even if they are sustainable, microfinance should not be considered a panacea for reducing poverty or reaching poor women.

Harris and Zimmerman (2009) in a discussion prepared by crossfire had different opinions concerning microfinance. Harris claims that loans under microfinance industry to poor will not end poverty due to financial crisis which is caused by overzealous and unchecked lending.

Also evidence showed that many of the very poor who can access finance from Microfinance Institutions often use those loans for consumption purpose and not for investment in entrepreneurial activities on the side of Zimmerman claimed that while it is not true that microfinance does not usually serve the very poor in Latin America and Africa those living on less dollar per day that is not true for Asia.

2.6.2 Empirical Studies in Tanzania

In Tanzania, there are various studies on microfinance and poverty reduction (cf. Makombe, Temba & Kihombo (1999). The study found that there was an improvement in gender relations and poverty alleviation that is the standard of living had improved to some extent by enabling them to meet some basic necessities. These included: increased women involvement in decision making, control over household resources increased empowerment women's income generating activities and freedom to use their time. This was confirmed through chi-square test

Many factors were found to have influenced the process of poverty alleviation including cooperation from husband; market availability; own effort and hard work; past experience in similar activities; income from other IGAs and good management on the other hand factors were found to have inhibited the process of poverty alleviation such as lack of market and stiff competition; bad weather; small capital; high running costs; sickness and pregnancy as well as high interest rates and short grace period. Other important inhibiting factors were husbands squandering credit money; using credit money for family needs and long lean periods.

Kessy and Urio (2006) conducted a study that covered four regions of Dar es salaam, Zanzibar, Arusha and Mwanza; and found that Microfinance Institutions (MFIs) operations in Tanzania have brought positive changes in the standard of living of people who access their services though clients of MFIs complained about high interest rate charged and the weekly meetings as barriers..

2.6.3 Focus on Women

Globally, the issue of women and poverty requires a special consideration because women and girls of poor rural households bear a disproportionately high share of the burden of poverty relative to their male counterpart (Makombe, Kihombo & Temba, 1999). With this situation of poverty prevailing to women, various institutions take initiatives to support women efforts in fighting against poverty among them being a microfinance institution which provides small loans to women. Some of such institutions operating in Tanzania include GRAMEEN BANK, FINCA and BRAC.

Many Microfinance Institutions target primarily, or exclusively, women. This practice is based on the common belief that women invest the loans in productive activities or in improving family welfare more often than men, who are assumed to consume rather than invest loan funds (Brau & Gary, 2004).

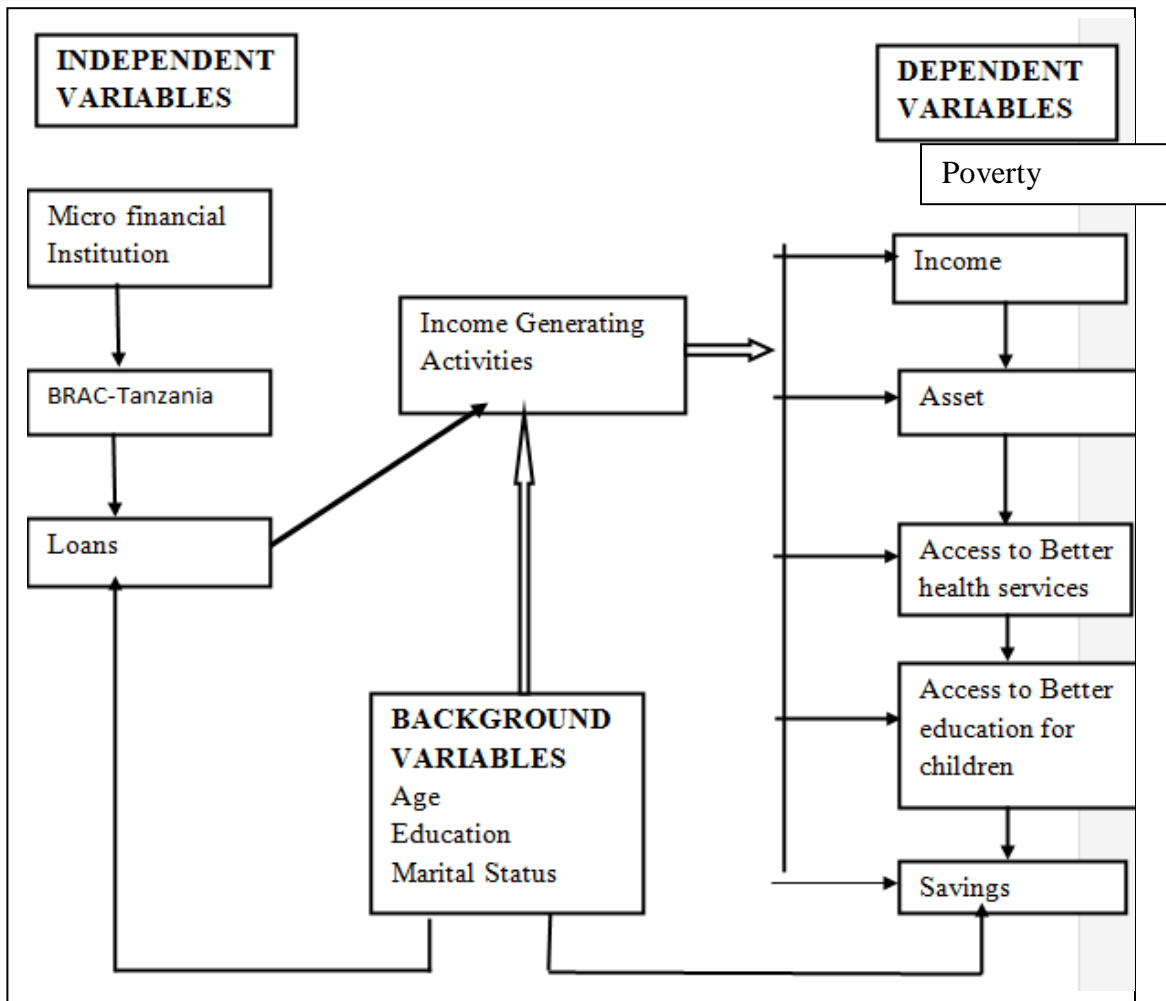
Microfinance helps the poor, the majority of whom are women, to borrow for business expansion, to save and buy other relevant products like micro insurance (Ellis, Blackden, Cutura, Mc Culloch & Seebens , 2007). In addition to that Brau and Gary (2004) used household expenditures, non land assets held by women, male and female labor supply, and boys' and girls' schooling as measurement outcomes and found that although the availability of microfinance positively impacts all six areas in the aggregate, all areas are significantly affected when women borrow, but only one of the six is significantly affected when men borrow. More empirical evidence suggest that microcredit initiatives targeted at women shows that improving access to credit for women in developing countries enables them to improve their standard of living (Ellis et al, 2007).

Generally, there is a claim in the literature that lending to women is likely to result in a greater multiplier effect because women pass on the benefits to children, through increased spending on the household, education and nutrition (Maclsaac,1997).

2.6.4 Conceptual Framework

Figure 2.6.4 shows the conceptual framework of this study. Loan is an independent variable provided by microfinance institutions such as BRAC. It is expected that women will use the loans to invest in income generating activities in order to reduce income and non income poverty including access to better education for children and savings

Figure 2.6.4 Conceptual Framework



Source: Adopted with modification from Kigoda (2009)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section describes the research design and methodology used to gather and analyze the data for the study. Research design is therefore useful because it helps to provide explanation on what types of data are needed and how they are gathered. Likewise, it provides answers for the place, sample of the study and how data are going to be analyzed and interpreted (Kothari, 2004).

3.2 Research design

The study used cross-sectional research design to achieve its objectives. According to Adam and Kamuzora (2008); these are studies which are not repetitive in nature as they are carried out once at a particular point in time. Most of academic studies carried out by students at undergraduate and master degree levels are cross-sectional due to time constraint (Adam & Kamuzora, 2008).

The study was conducted in Dodoma Municipality purposively in three wards which are Ipagala, Dodoma Makulu and Viwandani. The population size of these wards are 18,146 17,097 and 4,883 respectively. A total of 94 women respondents were selected through simple random sampling method; out of which 47 were beneficiaries of BRAC credit scheme and other 47 women were those not involved in any credit programme (Control group). Non participants of micro-credit schemes were found through BRAC data base for new loan applicants while others were selected randomly from those wards but not applied for loans from BRAC.

Quantitative data was collected through administered questionnaire whereby five indicators of poverty including income, savings, assets, access to better health service and care for children education were measured. . Another factor is easy accessibility of data due to time limitation of researcher.

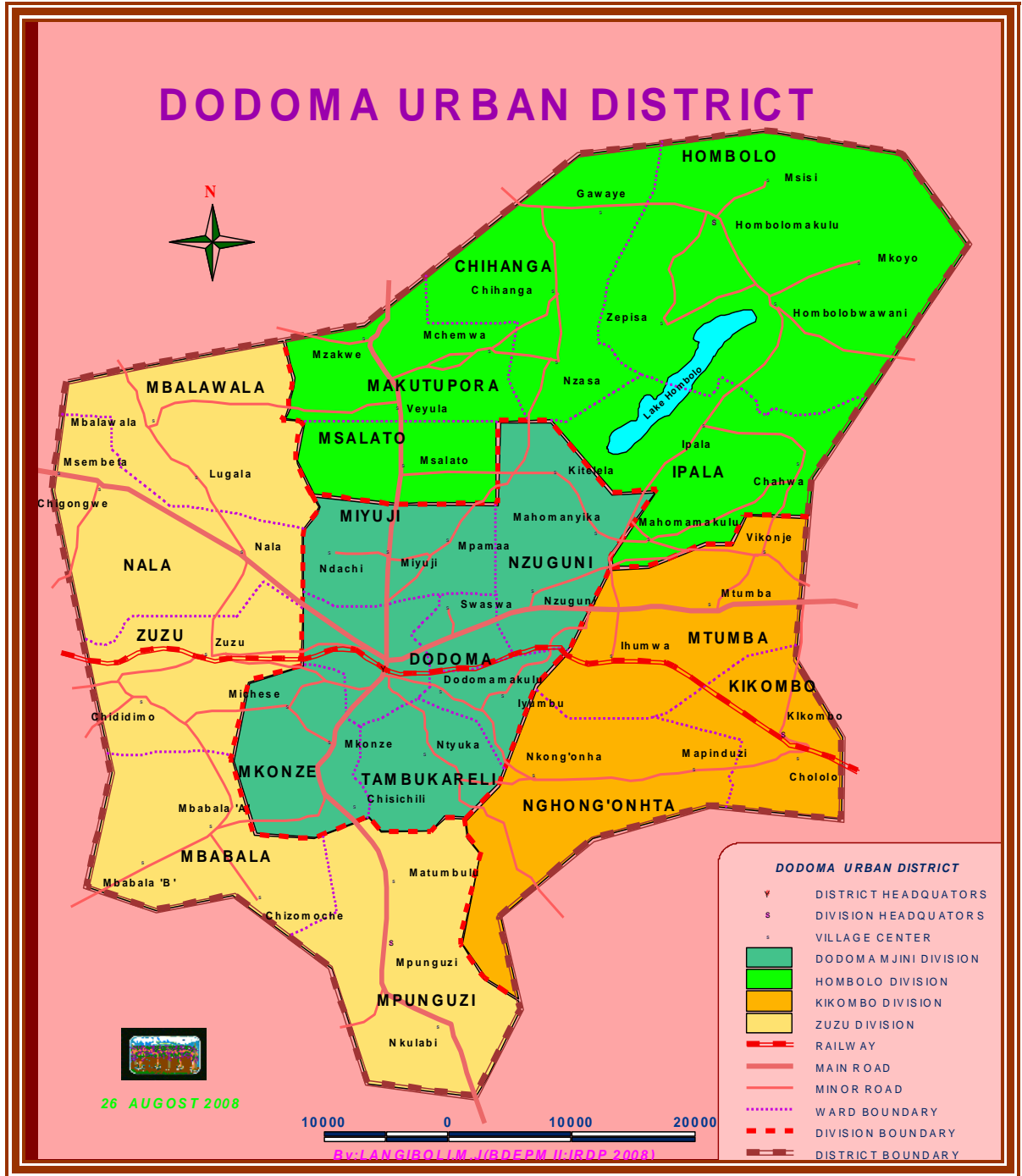
Qualitative data were collected through face to face interviews. Questions on each aspect were asked to the participants in order to measure poverty and this helped the researcher to know if BRAC has reduced poverty among women.

3.3 The study area

The study was carried out at BRAC Tanzania, Ipagala branch office located in Dodoma Municipality. The Municipality is located in the middle of the Country. It is boarded by Chamwino District in the East and Bahi District in the West. It lies between Latitudes 6.00⁰ and 6.30⁰ South, and Longitude 35.30⁰ and 36.02⁰ East. It is 456 kms to Dar es Salaam and 426 kms to Arusha. Dodoma Municipality is administratively divided into one parliamentary constituency, 4 divisions, 37 wards, 39 villages, 100 mitaa and 222 hamlets. The Municipality covers an area of 2,769 square kms and has a population of 410,956 whereby 199,487 are males and 211,469 are females (URT, 2012)

It is characterized with both Urban and rural qualities. It stands on broad upland plateau with an altitude ranging between 900-1000 meters above sea level, with beautiful stony hills such as Image, Isanga, Mkalama and Mlimwa. It experiences a long drought and short rainfall seasons. Due to unreliable rainfall, the area has scanty vegetation such as shrubs, grasses as well as conspicuous baobab and acacias trees

Figure 3.1 Dodoma Urban District Map



Source: DMC Profile

3.4 Sample and Sampling Techniques

A purposive sampling technique was applied to select groups of women included in the study. The Ipagala branch office of BRAC Tanzania provided a list of women groups. The researcher then randomly selected fifteen groups whereby an average of three women from each group making a total of 47 women; and the rest 47 women were those not involved in any credit scheme for control purpose. The groups were randomly selected from three wards. These were Viwandani, Ipagala, and Dodoma Makulu Wards. The groups were those with at least 2 years after receiving loans.

3.4.1 Population and sample size

The study involved officers of BRAC Tanzania, Dodoma branch, beneficiaries (Women) of BRAC Tanzania micro financial services and control group. The study involved a total of 100 respondents. This was made up of 94 respondents in which 47 were those women who had received loans from BRAC Tanzania and 47 were those not involved in any credit scheme. The other six respondents were staff members of BRAC Tanzania. The staffs involved in the study were Loan Officers for women groups in the study area, and the Ipagala Branch Manager of BRAC Tanzania.

3.5 Data collection tools and Methods

In order to accomplish this study, two types of data (primary and secondary data) were collected. In this study, primary data were collected through questionnaire, interview and observation. On the other hand, secondary data were collected through documentary review whereby relevant documents like BRAC progress reports were reviewed to determine the extent to which micro-credit had contributed to the wellbeing of people. Research reports and other publications were also reviewed to get secondary data.

3.5.1 Questionnaire administration

A questionnaire was among the data collection instrument to obtain quantitative data from loan beneficiaries. A questionnaire consisted of a series of questions, each one providing a number of alternative answers from which the respondent chose. The questionnaires had structured questions and a number of 94 questionnaires were administered to women.

3.5.2 Interview

Under this technique of data collection, there was direct contact between researcher and respondent. The interviewer (researcher) and respondent (interviewee) engaged in oral questioning or discussion. According to Adam and Kamuzora (2008) interview can be structured, unstructured and semi structured. Therefore in this research, the researcher used both structured and semi structured interview.

A number of 6 BRAC staff members were interviewed. However, interview was also administered to some of the beneficiaries and non beneficiaries of BRAC.

3.5.3 Documentary review

In this research, documentary review was the major source of secondary data. The secondary data obtained through reviewing relevant documents including progress reports from BRAC.

3.6 Data analysis, interpretation and presentation

Data analysis refers to the computation of certain measures along with searching for patterns of relationship that exist among data groups (Kothari, 2004). The data collected were presented in Tables and figures and analysed using descriptive statistics and more importantly, using T-Test for differences in means between two groups and Chi-square test for association between nominal (categorical) variables.

The null hypothesis which was investigated on whether there was significant difference between means of credit users and non credit users (for example in relation to assets, income etc).

The alternative hypothesis (which is the essence of this study) is that credit use does impact on income, health status, children education and asset of women borrowers (in comparison to non- borrowers).

Thus the key research question investigated here was: does the use of credit contribute to increase in income, assets, better health service and better education service to children among women in Dodoma Municipality and hence reduction of poverty? The T-test was calculated as follows:

$$T = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{S_1^2/N_1 + S_2^2/N_2}}$$

Where: \bar{X}_1 and \bar{X}_2 are the sample means of the alternative groups, credit users and non credit users,

S_1 and S_2 are variances for the two groups,

N_1 and N_2 are the sample sizes for the two groups.

In addition to t-test statistics which was used for in the aspect of income, chi-square test was also used in other aspects of access to better education for children, access to better health services, savings and assets.

3.7 Ethical Issues

In any research conducted, there are ethical issues that need to be taken into consideration from designing the questionnaire, administering the questionnaire and publishing the report.

According to Aaker et al in Adam and Kamuzora; 2008) ethics, refers to moral principles or values that generally govern the conduct of an individual or group. This study took into considerations ethical issues which include the informed consent, confidentiality and stating the consequences of the study. In this study, the researcher had an introduction letter from Mzumbe University that detailed the aim of the study. After submitting a letter to BRAC Ipagala branch, the researcher was given an acceptance letter which explained the aim of the study and it introduces the researcher to the study area.

Furthermore, it is important to note that the researcher had ethical responsibility to follow scientific procedures to come up with study conclusions and implications. The researcher clearly defined research problem. The problem was supported by the theoretical and empirical literature review and was supervised until the last stage of report writing and submission.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

The main purpose of the study was to examine the impact of microcredit provided by BRAC in poverty reduction among women in Dodoma Municipality. This chapter reports the study findings after analyzing the data obtained through questionnaires, interview, documentary review and observation from different categories of respondents. The presentation of findings starts with major background characteristics of the case study and then respondents. The presentation of findings is based on the questions formulated in chapter one.

4.2 Case Study: BRAC Ipagala branch in Dodoma Municipality

Ipagala branch was among five branches of BRAC in Dodoma Municipality others were: Chamwino, Kikuyu, Miyuji and Kizota. This branch was opened in 2008. The branch was situated in Ipagala ward along Dodoma-Dar es Salaam road. The branch had a total of fourteen staff whereby those who were dealing with microfinance program were 8 including the branch manager, branch accountant, three community organizers and a security guard. For the case of loan beneficiaries, there were 972 borrowers and 64 groups of women borrowers. The repayment rate was estimated to be 94.5 percent.

4.3 Background Characteristics of respondents

4.3.1 Age

The descriptive analysis indicated that 39.4% of respondents were between 18-30 years; 40.4% were between 31-43 years, and 18.1% were between 44-56 years and 2.1% were of age 57-69 years old as summarized in Table 4.3.1 below.

Table 4.3.1. Age of respondents

Age group	Frequency	Percent
18-30	37	39.4
31-43	38	40.4
44-56	17	18.1
57-69	2	2.1
Total	94	100.0

Source: Field data, 2013

4.3.2 Education of respondents

Table 4.3.2 below shows that a large proportion of respondents 47.5% had primary education while 44.7% had secondary education, 4.3% had college education and 5.3% had no formal education at all. Table 4.3.2 presents the findings.

Table 4.3.2: Respondents level of education

Variables	Frequency	Responses (%)
Primary	43	45.7
Secondary	42	44.7
Collage/university	4	4.3
Not educated	5	5.3
Total	94	100.0

Source: Field data, 2013

From Table 4.3.2 above majority of respondents were educated; their education could help them to take various opportunities offered by institutions to improve their economic status.

4.3.3 Marital Status

Marriage is a common phenomenon and important part of life. This is indicated by the fact that 62.8% of all respondents in the sample were married. Table 4.3.3 below summarizes respondents by their marital status.

Table 4.3.3: Marital status of respondents

Variables	Frequency	Responses (%)
Single	19	20.2
Married	59	62.8
Widow	9	9.6
Separated	7	7.4
Total	94	100.0

4.4 BRAC reaching Poor Women

This was the first research question listed in chapter one. To answer this question, the focus was on the conditions required for beneficiaries to qualify for loans.

4.4.1 Requirement for receiving loan among beneficiaries

Microfinance institutions target various market segments. Some, target employees, others women only and others target both women and men. Above that, other microfinance institutions target the poor and other target the poorest group. Therefore, the aim of this section was to identify if BRAC targets poor women in Dodoma Municipality. In order to answer this question, respondents were asked to list the requirements and conditions needed to fulfill in order to secure loan as indicated in Table 4.4.1 below.

Table 4.4.1: Requirement for receiving loan among beneficiaries

Loan requirement	Responses		Percent of Cases
	N	Percent	
Group guarantee	26	38.2%	55.3%
Identity card/letter of introduction	10	14.7%	21.3%
Having a business	23	33.8%	48.9%
Permanent residence	9	13.2%	19.1%
Total	68	100.0%	144.7%

From Table 4.4.1 above, 55.3% of respondents were required to be in groups, 48.9% were needed to have a business, 21.3% were supposed to have identity card and introduction letter from local authorities and 19.1% said that they were required to be permanent resident of a certain place. Based on these findings, it can be concluded that BRAC reaches poor women in Dodoma Municipality because at least the poorest can afford to join a group as social collateral. Commenting on the question of reachability and requirements, the branch manager reported

A total of 1500 women have benefited from BRAC at Ipagala branch since we commenced our activities in Dodoma Municipality in 2008. On top of that loans worth Tshs. 352,335,887 have been disbursed since 2008 at Ipagala Branch. In the case of conditions to qualify for loans, we require the applicant to have a business which can generate income, being a permanent resident of a certain place as well as being in a group of 15 – 35 members.

4.4.2 Training to credit beneficiaries

Besides reaching poor women by providing them with small loans, the findings revealed that BRAC trained women on principles and usage of loan as well as business management in order to equip them with skills to manage well their business for sustainability and ensure repayment of loan. Findings on training given are presented in Table 4.4.2 below.

Table 4.4.2 Training on women beneficiaries

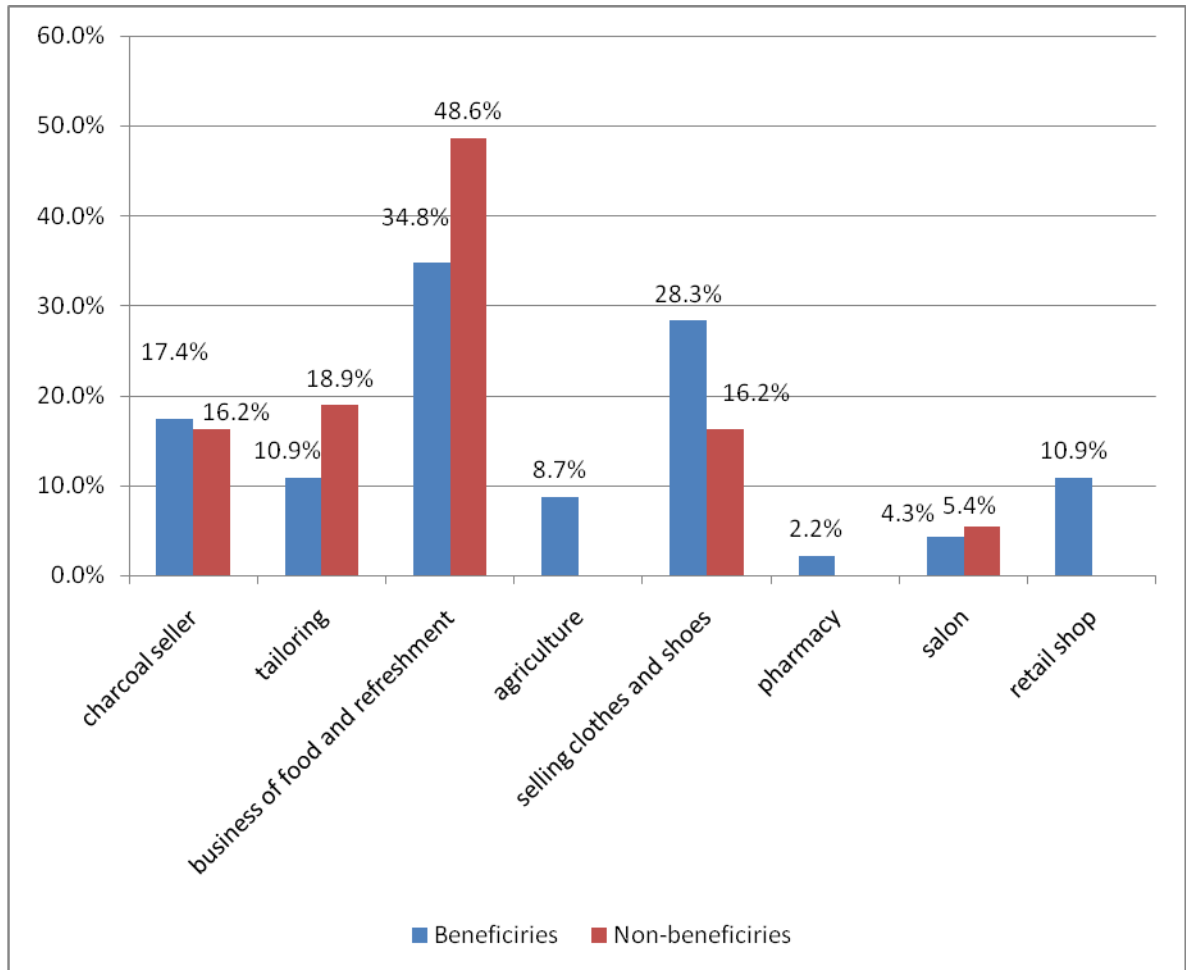
Types of training	Responses		Percent of Cases
	N	Percent	
Principles and usage of loan	25	56.8%	62.5%
Improvement of business	15	34.1%	37.5%
Grouping	3	6.8%	7.5%
Saving	1	2.3%	2.5%
Total	44	100.0%	110.0%

From Table 4.4.2 above revealed that 62.5% t of credit beneficiaries were trained on principle and usage of loan, 37.5% were trained on improvement of business, 7.5 percent on grouping and 2.5% on savings. From the findings women benefited as they were able to save, improve business performance, timely repay loans and avoid extravagant spending.

4.5 Activities conducted by women after securing loan

The second objective of this study was to examine various activities conducted by women secured loans. The aim was to understand where credit beneficiaries invested their capital. Findings revealed that the majority of credit beneficiaries had invested their capital in food and refreshments. Figure 4.5 below summarizes the findings.

Figure 4.5 Comparing activities by women beneficiaries and non beneficiaries



Sources: Field Data, 2013

4.6 Microcredit through BRAC and poverty reduction among women in Dodoma Municipality

Research question three required to investigate if BRAC reduces poverty among women in Dodoma Municipality. In order to answer this question, the researcher analyzed five indicators among them being income and assets using t-test and the other three saving, access to better health services and access to better education for their children using chi-square test.

4.6.1 Income

Comparison of income for BRAC beneficiaries and non beneficiaries is presented in Table 4.6.1 below. It was revealed that about 52.2% of women beneficiaries had level of income of between 500,000 and 1,999,999 while non-beneficiaries women were 57.4%. The Table also shows that 28.3% of beneficiaries had the income of 2,000,000 - 3,999,999 as compared to 34.0% of non beneficiaries. However, 8.7% of beneficiaries had the income of Tshs. 8,000,000 and above per year as compared to 2.1 of non beneficiaries. Therefore, probably non beneficiaries have higher income than beneficiaries at the level of Tsh. 500,000 – 1,999,999 but 8.7% of the beneficiaries had the highest income as compared to non beneficiaries. This could be so because most of non beneficiaries uses their own capital therefore no obligation to pay interest rate and other expenditure during loan processing. On the other hand some of the beneficiaries have more than one business which increases their chance of having high income.

Table 4.6.1: Income of respondents

Level of income	Beneficiaries		Non beneficiaries	
	Frequency	Percent	Frequency	Percent
500,000 -1,999,999	24	52.2	27	57.4
2,000,000 3,999,999	13	28.3	16	34.0
4,000,000 - 5,999,999	3	6.5	2	4.3
6,000,000 - 7,000,000	2	4.3	1	2.1
8,000,000 and above	4	8.7	1	2.1
Total	46	100.0	47	100.0

Sources: Field Data, 2013

After computing the income of the beneficiaries and non beneficiaries, the results showed that average income for non-beneficiaries was Tshs.1,712,952 and that of beneficiaries was Tshs. 2,116,909 More specifically, the researcher intended to examine the significance of incomes of respondents by using Independent-Samples T-Test and the results are presented in Table 4.6.1.1 below.

Table: 4.6.1.1 Respondents income

Parameter	F	T	df	Sig (2 tailed)
Beneficiaries	.065	-1.840	84	.069
Non beneficiaries				

Sources: Field Data, 2013

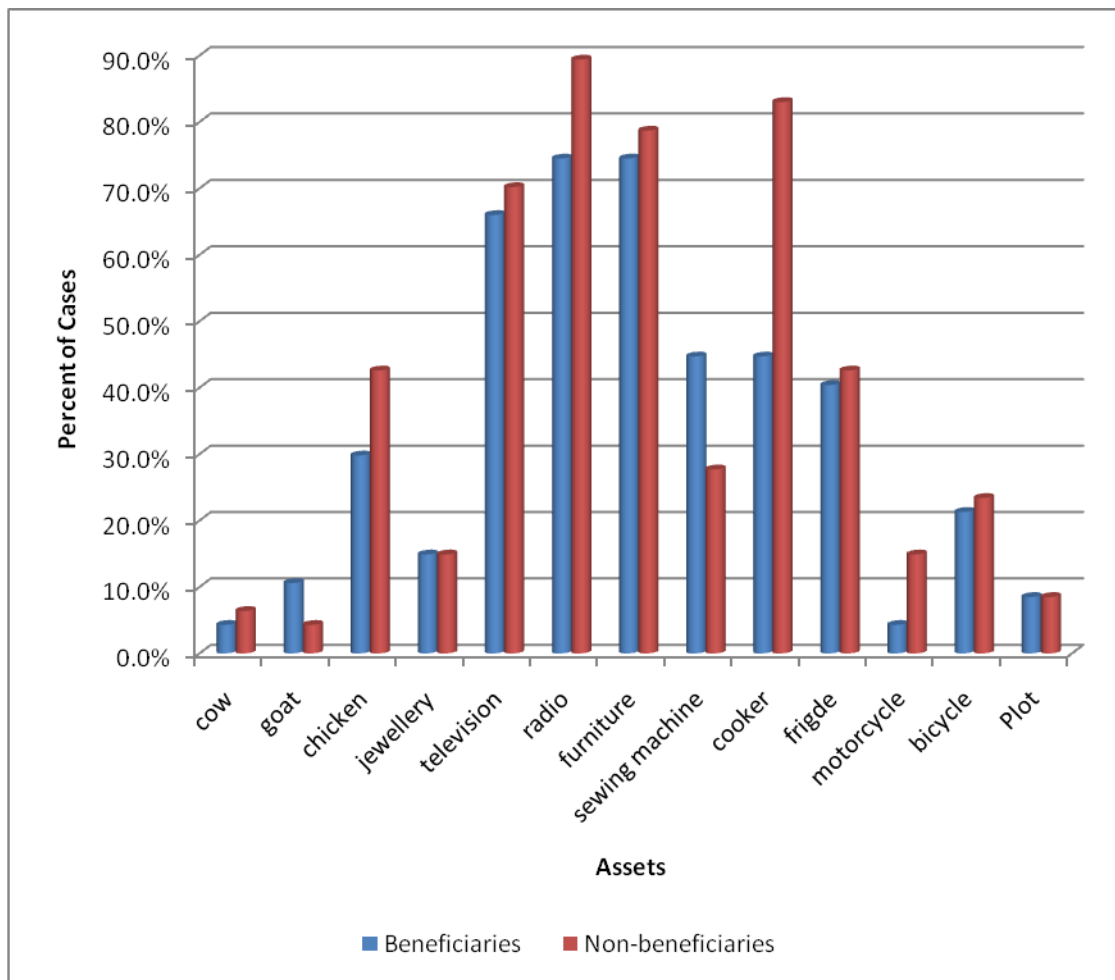
Results in Table 4.6.1.1 above suggest that there is slight difference between income of beneficiaries and non-beneficiaries. To see whether this difference is significant, the researcher applied t-test and results indicated that the calculated t-statistic was significant at 90% confidence level, that is; $t(84) = -1.840$, $p(0.069) < 0.1$. These results indicate that there is slight significance difference in income between the two groups.

4.6.2 Assets owned by respondents

Figure 4.6.2 shows that beneficiaries and non beneficiaries had same percentage 8.5% in ownership of plots, and 14.9 % of jewelers. However, credit beneficiaries have large percentage of ownership of goat 10.6% as compared to 4.3 % of non beneficiaries while non beneficiaries revealed large percentage of ownership of radio which was 89.4% as compared to 74.5% of beneficiaries. In terms of cooker, findings showed that there was 83.0% ownership for beneficiaries as compared to 44.7 % for non

beneficiaries. There was a slight difference of 4 percent in ownership of furniture among the two groups, i.e.; 78.7 % for non beneficiaries and 74.5% for beneficiaries.

Figure 4.6.2 Assets owned by beneficiaries



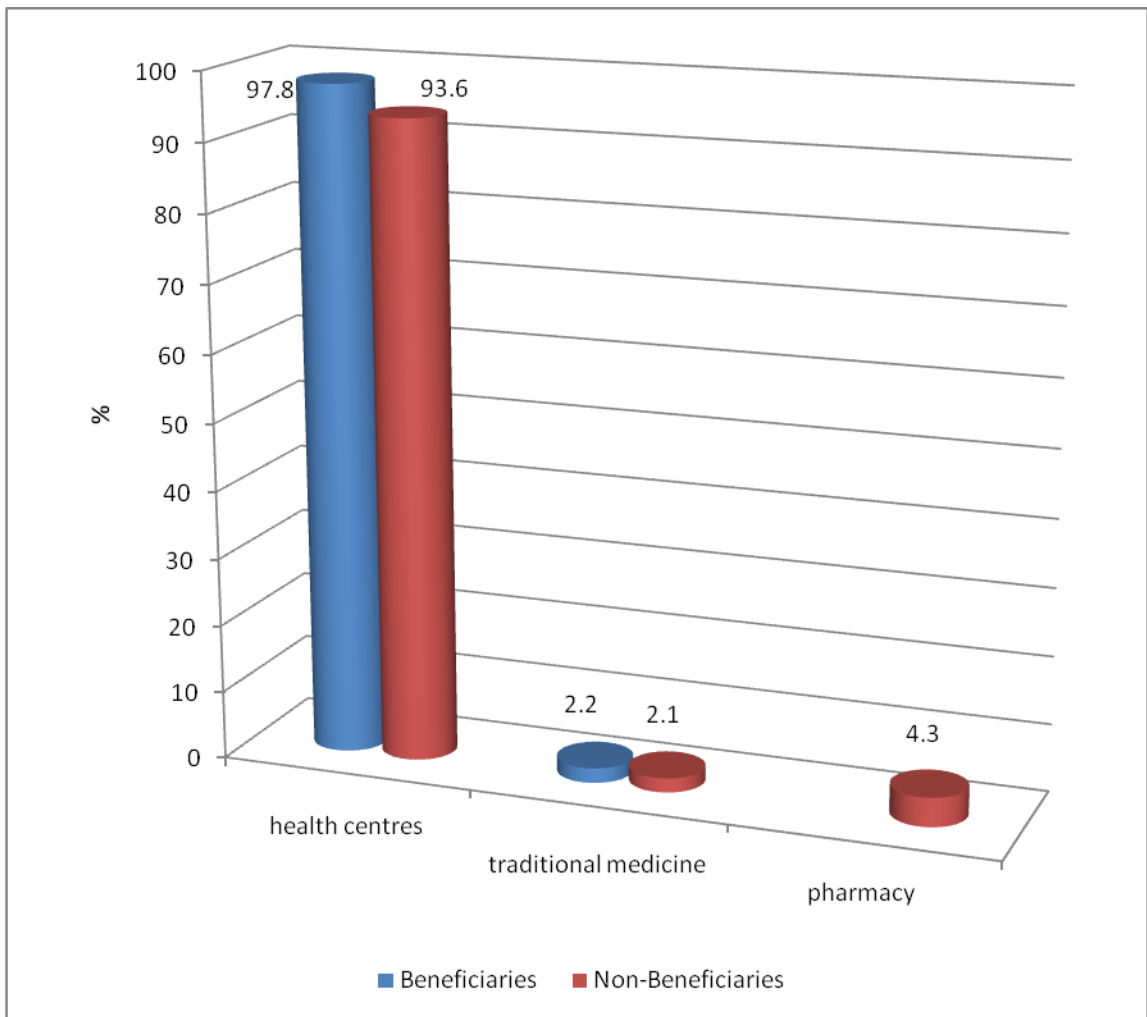
Sources: Field Data, 2013

In this indicator the researcher computed the mean on assets of beneficiaries and non beneficiaries to examine the significance in ownership of those assets. By using $t(24) = -0.464$, $p(0.647) > 0.05$; the t-test indicates that there is no significance difference of ownership of assets between the two groups. Figure 4.6.2 above is a pictorial result of assets owned by BRAC women members and non-members.

4.6.3 Access to better health services

Majority of respondents among BRAC beneficiaries and non-beneficiaries were treated in health centers. The findings are presented in Figure 4.6.3 below.

Figure 4.6.3: Access to health services by respondents



Sources: Field Data, 2013

The researcher in this indicator computed the chi-square test to examine the relationship between beneficiaries and non beneficiaries in places of treatment. Using chi-square test for independency χ^2 of degree 2 and 0.05 level of significance; it was found that place of where to be treated did not depend membership to BRAC as $p(0.965)$ is greater than 0.05.

4.6.4 Education

In this poverty indicator, the researcher was interested to know the type of schools beneficiaries and non beneficiaries were sending their children. From Table 4.6.4, it is shown that 83.7% of beneficiaries sent their children to government schools as compared to 96.6% of non beneficiaries while 16.3% of beneficiaries sent their children to private schools against 3.1% of non beneficiaries. These findings may show that BRAC beneficiaries may have benefited from loans and being able to send their children to private school. One of the BRAC women beneficiaries explained that the loan had helped her educate her daughter at the level of diploma from the elementary to diploma.

Being a member of BRAC has helped me send my daughter to a diploma course and incur all cost for two years of her studies [respondent from Viwandani Ward].

Table 4.6.4: Types of schools attended by respondents' children.

Category of respondents	Government	Private	Total
Beneficiaries	36(83.7%)	7(16.3%)	43(100%)
Non-beneficiaries	31(96.9%)	1(3.1%)	32(100%)

Sources: Field Data, 2013

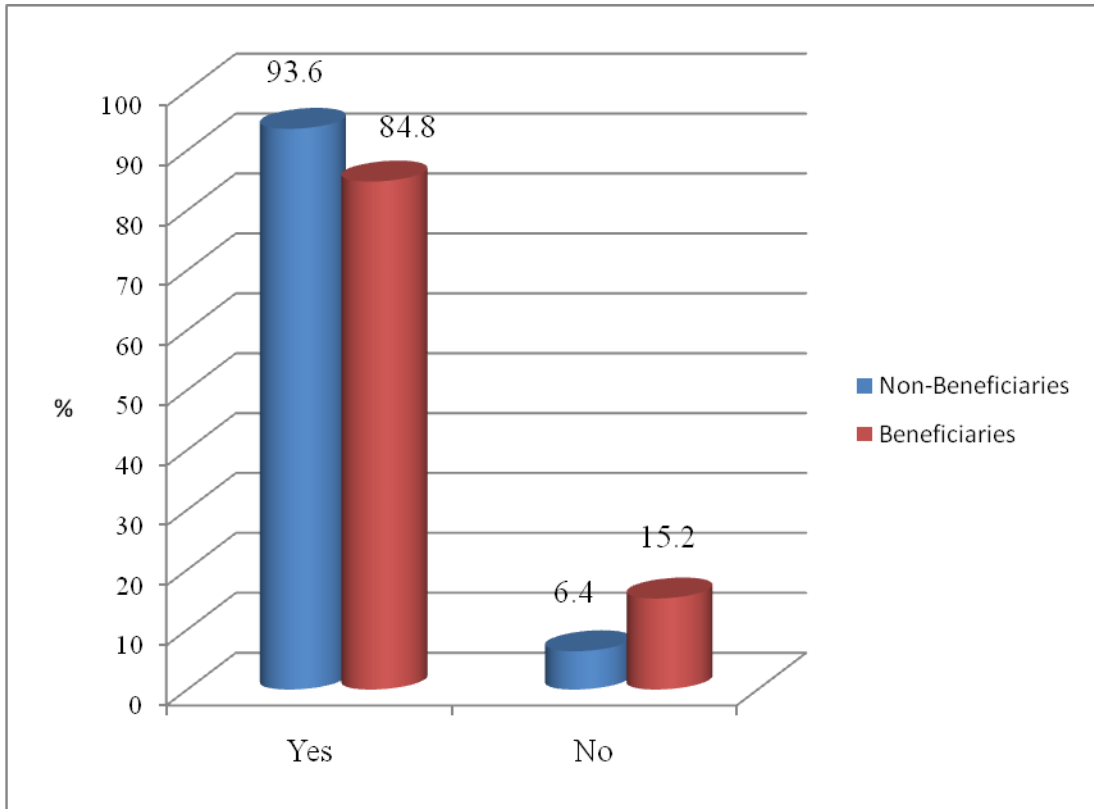
In this indicator the researcher also applied the chi-square test in order to examine if there was significance relationship between type of school attended by respondents' children and parents being a credit beneficiary or non-beneficiary. Using chi-square test for independency χ^2 of degree 1 and 0.05 level of significance, it can be shown that type of school did not depend on being a BRAC member as p-value (0.611) is greater than 0.05.

4.6.5 Savings

The aim of this section was to investigate whether respondents were able to save any money for contingencies and for investment purpose and whether there was difference in saving among the two groups of women. It was observed that majority 84.8% of beneficiaries against 93.6% of non-beneficiaries were able to save money while 15.2% of beneficiaries as compared to 6.4 % of beneficiaries were not able to save due to various reasons as explained by one of the respondents.

I am a widow, I cannot save any money because we need to eat and the children need to go to school. When my husband was alive, I was able to save some money [Respondent from Viwandani Ward].

Figure 4.6.5 Savings by Respondents



Sources: Field Data, 2013

Using chi-square test for independency χ^2 of degree 1 and 0.05 level of significance, it can be shown that savings did not depend on being a BRAC member as p-value (0.169) is greater than 0.05.

4.7 Constraints mentioned by BRAC beneficiaries

The study investigated constraints faced by beneficiaries during loan processing from BRAC. Table 4.7 presents the findings. The general interpretation from findings is that the majority of women beneficiaries 77.8% did not face any major constraints from BRAC.

Table 4.7: Constraints mentioned by BRAC beneficiaries

Variable	Frequency	percent
none	37	78.7
delay	1	2.1
hard conditions	4	8.5
long process	5	10.6
Total	47	100.0

Sources: Field Data, 2013

From Table 4.7 above reveals that majority of beneficiaries, 78.7% did not facing any constraints during loan processing while 10.6% complained on long processes and procedures of loan, 8.5% said they experienced hard condition during loan processing and 2.1% claimed that there was some delay during loan processing.

4.7.1 Constraints from Non-BRAC members

On the other hand, the study investigated if non beneficiaries had ever tried to secure loan from BRAC and reasons for not applying. The result is summarized in Table 4.7.1 below.

Majority 89.4% had never applied for loans at BRAC while 10.6% had applied. Results indicated that there were several reasons for not applying as shown in the Table 4.7.1 below.

Table 4.7.1 Reasons for non beneficiaries not to apply for loan

variable	frequency	percentage
small loan	2	4.3
high interest rate	8	17.0
hard conditions	5	10.6
own capital	2	4.3
no need/plan	15	31.9
religious reason	1	2.1
Afraid	14	29.8
Total	47	100.0

Sources: Field Data, 2013

From Table 4.7.1 above, it is revealed that majority of respondents 31.9% had no plan or need of taking loan at the time of this study, followed by 29.8% who were afraid to take loans, 17.0 % claimed on high interest rate, 10.6 percent said because of hard conditions and 4.3 % gave the reason of having own capital and 2.1% had religious reason.

4.7.2 Ability to repay loan softly

The findings revealed that women beneficiaries were able to repay loan for large percent as presented in Table 4.7.2 below.

Table 4.7.2: Ability of women to repay loans

Variables	Frequency	Responses (%)
Yes	41	87.2
No	6	12.8
Total	47	100.0

Sources: Field Data, 2013

Table 4.7.2 above indicates that 87.2% of women were able to repay their loan softly while 12.8% percent had difficulties of repaying their loan, but not softly and they sometimes failed to get amount of money to repay hence the group members contributed the amount to enhance their fellow member and keep them creditworthy. This was also supported by some of the BRAC officials as indicated in the following excerpts

A large percentage of women are repaying their loan easily and few of them are stubborn unless make more effort. [BRAC Ipagala Branch Manager]

Some of the women are paying easily and few of them are not paying easily in the sense that they come with few amount or they do not turn-up therefore the group mates have to contribute. [BRAC Community Organizer]

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.1 Introduction

This chapter is a reflection and discussion of findings presented in chapter four. The discussion is organised according to the research objectives and questions highlighted in chapter one.

5.2 BRAC reaching poor women in Dodoma Municipality

With regards to BRAC reaching poor women in Dodoma Municipality, one may conclude that it reaches poor women as the most important requirement is being in a group. This requirement is also supported by the social capital theory which has been explained by the researcher in chapter two sections 2.5. Another requirement is to have a small business in order to be given a loan. Besides, women beneficiaries are putting their home furniture as collateral these include beds, Tables, chairs and sofa set. These requirements are somehow soft and easy for poor women to be able to access loans especially the requirement of being in group because the group members guarantee each other.

In aspect of training, the result shows that few beneficiaries 2.3 percent were trained on the aspect of saving which is a very important in day to day life. However, other training provided is also important in the world of business. Training on areas of entrepreneurship, investments and loan management to local microfinance client is very important as investments derived from microfinance may well stabilize income streams for the beneficiaries and raise them above a poverty threshold level (Kigoda, 2009).

5.3 Activities initiated after securing loan and the role of BRAC in poverty reduction among women

Concerning activities conducted by women after securing loans, the findings show that majority of women beneficiaries invest in small business after securing loan from BRAC. These activities include tailoring, food and refreshment, retail shop, charcoal selling, agriculture, salon and pharmacy. The findings reveal that non beneficiaries also engage in small business similar to those of beneficiaries. Many women are investing in business of food and refreshment may be this is due to the fact that payback within short period, it is not risky and the demand for food and refreshment is higher always due necessity reasons as compared to demand for either clothes or going to salon.

On the other hand, few women engaged on pharmaceutical business and salon this may be due to the fact that these businesses need technical expertise and also talent for the case of salon. However, few women engage in agriculture due to longer payback period and sometimes for a long period of time and the risky are very high as compared to other business. This finding is in line with the findings of Makombe (2006) which found that women were mostly found in the sale of cooked food/restaurant and food stalls in Dar es Salaam, in rural areas and other urban areas they were concentrated in the sale of local beer. Statistical analysis indicated that there was a slight significant difference in income between beneficiaries and non-beneficiaries.

Hence we can argue that though loans from BRAC contribute to the increase in income among beneficiaries; it is possible; however, for women to generate income even without securing loans. It may also be argued that incomes of loan beneficiaries and no-beneficiaries differ slightly because they both engage in similar business activities. Since, their services or products are not differentiated and they both compete for the same market, they end up earning a similar average income.

In terms of asset ownership, findings are mixed. Beneficiaries had large percentage in ownership of some assets while non beneficiaries had large percentage of ownership in some other assets and in some cases almost equal. The result from statistical analysis shows that there was no significant difference in ownership of assets between beneficiaries and non beneficiaries.

This may be due to the fact that the profit non beneficiaries get are used to buy assets while beneficiaries use small amount to buy asset and other amount to pay interest for their loan. This is probably the reason why the difference was not significant.

However, this is still beneficial to women beneficiaries of BRAC who seems to have no other means of getting capital unlike non beneficiaries who might get from other family members and relatives. So, these findings contradict results from previous studies, (cf. Khandker, 1998; Cohen & Sebstad, 2000) which reported that microfinance was found increasing assets among households and individuals.

Concerning access to better health, the findings revealed that majority of respondents among BRAC beneficiaries and non beneficiaries were treated in health centers. The results from the chi-square statistical test suggest that there was no significant relationship between places to be treated and being a member of BRAC.

With regard to schooling, qualitative findings show that beneficiaries were able to send their children to school and even private school as well as college level. But, when statistically tested using chi square test, the result revealed that there was no significance relationship between being a BRAC member and access to better education. This may be due to the fact that some of the parents still have trust with government schools. Another reason could be that in higher learning education consideration for loans are given mostly for students studied at government schools rather than private schools.

In case of savings, the findings showed that majority of the respondents were able to save some amount of money. Chi-square test results show that there was no significant relationship between being a member of BRAC and ability to save.

Considering the importance of savings discussed in chapter 2 section 2.4.4, we may say that every person struggles to save as unforeseen events such as sickness does not choose whether one is a microcredit member or not.

5.4 Constraints faced by women

Furthermore, on the constraints mentioned by BRAC beneficiaries during loan processing, the findings revealed that majority of women beneficiaries were not facing any constraint during loan processing. The findings of this study also revealed that majority of non-beneficiaries had no need or plan of taking loan because of high interest rates and amount of capital provided. Findings on this issue relate with results of Nawaz (2010) who found that some non-beneficiaries were afraid of consequences of failure to repay loan installment particularly poor households and perceived high interest rate.

CHAPTER SIX

SUMMARY, CONCLUSION AND POLICY RECOMMENDATIONS

6.1 Introduction

This study based on microfinance and poverty reduction among women. Generally the study aimed at examining the impact of microcredit provided by BRAC in poverty reduction among women in Dodoma Municipality. This chapter presents some conclusions based on objectives of the study. Furthermore, recommendations for policy and practical arena are given.

6.2 Summary and Conclusions of findings

The study was guided by the following four research questions

- i. To determine whether BRAC reaches the poor women in Dodoma Municipality.
- ii. To explore types of income generating activities initiated by women after securing loans from BRAC
- iii. To determine whether BRAC has reduced the poverty of poor women in Dodoma Municipality.
- iv. To identify the constraints facing the beneficiaries of loans from BRAC

Firstly, it is found that BRAC reach poor women in Dodoma Municipality as they are required to be in groups in order to be given loans as well as having any small business. This loan requirement is affordable for even very poor women. Secondly, microcredit through BRAC has contributed to the reduction of poverty among women as majority of women beneficiaries have positive perception of increase in income. However the findings reveal that no relationship between assets ownership, savings, access to better health services and better education with respect to being a BRAC member.

Lastly, the study reveals that majority of women are not facing any major constraints during loan processing but some of them have claimed on delays, long process and hard conditions. The control group (non-beneficiaries) has no plan to secure loans from BRAC due to various reasons including interest rate, amount of loan given and hard conditions.

6.3 Policy and Practical Recommendations

Based on the findings, the following policy recommendations are given in order to enhance the efforts towards poverty reduction in Tanzania

- i. The findings of this study show that there is slight significance difference between women beneficiaries and non beneficiaries in income and no statistical significant difference at all among other poverty indicators. Therefore the policy implication here is that government, development partners; NGO's should look for alternative strategies to reduce poverty among women rather than depending on microfinance strategy alone.
- ii. With regards to constraints faced by women in accessing loan, interest rate is still a challenging factor. I therefore recommend that more efforts should be invested in sensitizing women to join SACCOS. This will help them getting a reasonable capital. Such sensitization should also go in-line with educating them about the recent growing opportunity of Islamic Banking in Tanzania which is interest free.
- iii. Training should be provided to women after some time may be after two years so that they become equipped with business knowledge and skills which can help them increase income and improve their life. Training on savings and uncertainties should be provided and emphasized to women as it helps them overcome various shocks.

- iv. The government, Donors, NGO's and Microfinance institutions should join hands to educate women on diversification of businesses as a major strategy to reduce risk and uncertainties. Having one business may entail high risks and can lead to vulnerability if it fails. Allocating capital to more than one business ventures spreads risk and therefore reduces uncertainty.

6.4 Limitation of the study

The researcher encountered one major limitation. The researcher planned to conduct this research in five branches of BRAC in Dodoma Municipality but the authorization was given for only one branch. This may have impacted some results due to limited variations in cases.

6.5 Areas for further research

Based on the findings, it seems that interest rate is still one of the main challenges inhibiting majority of women not to secure loans from microfinance. The study recommends future research projects to unveil the potentiality of Islamic Banking services as an alternative. Currently, there are several banks in Tanzania offering Islamic financial services. However, there is limited knowledge on how these banks can offer microfinance services to the poor and contribute to poverty reduction.

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APPENDICES

APPENDIX I

QUESTIONNAIRE FOR WOMEN BORROWERS FROM BRAC

Respondent Number.....

MZUMBE UNIVERSITY

*Dear respondent, I am **Rukia Bakari Omari**, a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the impact of microcredit provided by BRAC in poverty reduction among women . I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I am assuring you that the information given here will be used for academic purposes only.*

Personal Information

1. WardStreet
2. Age:Years
3. Education level: (a) primary (b) secondary (c) college/University (d) no formal education
4. Marital Status: (a). Single (b). Married (c). Widowed (d). Divorced/Separated.....
5. What are the requirements for receiving loan?
6. What collateral do you put before receiving loan?

7. Assets

	Do you have these assets at your household	Was this item acquired before credit term	Was this item acquired during credit term
1	Cattle		
2	Goat		
3	Poultry		
4	Jewellery		
5	Television		
6	Radio		
7	Furniture		
8	Sewing Machine		
9	Stove		
10	Refrigretor		
11	Motorcycle		
12	Car		
13	Bicycle		
14	plot		

9. What activities do you perform after receiving loan from BRAC?

a) vendors (b) charcoal selling (c) tailoring (d) business of food and refreshment(e) agriculture (f) selling clothes and shoes (g) pharmacy (h) salon (i) retail shop

10. Do you keep records of your business (a) Yes..... (b) No.....

11. What is your weekly /monthly/yearly income from your activity?.....

12. Do you keep any saving? (a) Yes....., (b) No.....,

13. Where do you save your money ? (a) in a bank (b) at home (c) in a SACCOS (d) in NGO's (e) in a form of crops (f) Mpesa/Tigopesa/Z-pesa

14. Were you doing any activity before receiving loan? (a)Yes, (b) No.....,

If yes is there any difference in income between new and old business? (a) increased income (b) increased capital (c) increased profit (d) expansion of business (e) development of business and family (f) no difference

15. Were you able to save any money with the old business? (a).Yes....., (b) No

16. Where do you and your family get treatment after falling sick (a) at health facility (at) at pharmaceutical shops (c) Traditional medicine (d) others

17. How many children do you have?.

(a) 0-2 (b) 3-5 (c) 6-8 (d) 9+

19. What level of schooling are those children

(a) primary (b) secondary (c) college/university (d) not educated (e) not started

20. What type of schools are those children studying?

(a) government (b) private

21. Are you able to repay the loan softly? (a). Yes....., (b) No.....

If no, please provide reasons (a) high interest rate (b) the loan is small (c) bad business condition

22. Did you get any training from BRAC? (a) yes (b) No

23. What type of training did you receive?

(a) principles and usage of loan (b) business development (c) grouping (d) repayment (e) savings

24. Does the training help you improve your business? (a). Yes (b) No

25. How does the training helped you?

(a) saving (b) improve business (c) timely repayment (d) build confidence (e) carefulness in expenditure

26. Does access to loan from BRAC help you build your confidence? (a) Yes (b) No

27. What constraints are you facing when accessing loan from BRAC?... (a) None (b) delay (c) hard conditions (d) long process

THANK YOU FOR YOUR COOPERATION

APPENDIX II

**QUESTIONNAIRE FOR WOMEN WHO ARE NON BENEFICIARIES
(CONTROL GROUP)**

Respondent Number.....

MZUMBE UNIVERSITY

*Dear respondent, I am **Rukia Bakari Omari**, a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the impact of microcredit provided by BRAC in poverty reduction among women. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I am assuring you that the information given here will be used for academic purposes only.*

Personal information

1. Ward..... Street.....
 2. AgeYears
 3. Educational level (a) primary (b) secondary (c) college/University (d) no formal education
 4. Marital Status; (a). Single (b). Married (c). Widowed (d). Divorced or Separated.....
 5. Are you aware of the loans given by BRAC? (a). Yes (b). No
 6. Have you tried to apply for loan? (a). Yes (b) No
- If no why.....

(a) the loan is small (b) high interest rate (c) hard condition (d) I have capital (e) no need/no plan at the moment (f) religious reason (g) afraid

7. What activity are you doing?(a) agriculture (b) food and refreshment (c) salon (d) tailoring (e) selling clothes (f) charcoal (g) food processing (h) soap making

8. Do you keep records for your business? (a) Yes (b). No

9. What is your weekly/monthly/yearly income?.....

10. Do you keep any savings? (a). Yes (b).No

11. Where do you save your money ? (a) in a bank (b) at home (c) in a SACCOS (d) in NGO's (e) in a form of crops (f) mobile banking

12. Assets

	Do you have these assets at your household	Yes	No
1	Cattle		
2	Goat		
3	Poultry		
4	Jewellery		
5	Television		
6	Radio		
7	Furniture		
8	Sewing Machine		
9	Stove		
10	Refrigretor		
11	Motorcycle		
12	Car		
13	Bicycle		
14	plot		

13. Where do you and your family get treatment after falling sick (a) at health facility (b) at pharmaceutical shops (c) Traditional medicine (d) others

14. How many children do you have?

(a) 0-2 (b) 3-5 (c) 6-8 (d) 9+

15. What level of schooling are those children

(a) primary (b) secondary (c) college/university (d) not started (e) not educated

16. What type of schools are those children studying?

(a) government (b) private

17. Do you see any changes to women who take loan from BRAC? (a). Yes

(b).No

If yes what changes(a) improve/develop business (a) improve living (c) get capital hence start business (d) build women confidence (e) saving (f)increase income (g) educate children (h) they are confiscated when fail to repay loan

18. Do you think access to loan may reduce poverty?.

(a) yes (b) no

19. to what extent does access to loan from BRAC reduce poverty?

(a)high extent

(b) some extent

(c) none

(d) I don't know

20. how does access to loan from BRAC reduce poverty?

- (a) Able to educate children
- (b) Solve family problem
- (c) Improve household economy
- (d) Start business
- (e) Get experience being in group

THANK YOU FOR YOUR COOPERATION

INTERVIEW GUIDE FOR THE BRAC OFFICERS

Respondent Number.....

MZUMBE UNIVERSITY

*Dear respondent, I am **Rukia Bakari Omari**, a student at Mzumbe University pursuing Master's degree in Development Policy. I am conducting a study as part of my programme, to examine the impact of microcredit provided by BRAC in poverty reduction among women. I am requesting you to set aside some few minutes to respond to my questions. Any inconvenience is highly regretted. I wish to assure you that the information given here will be used for academic purposes only.*

1. Title of the officer:
2. When did BRAC started its operations in Dodoma?;.....
3. How many women are beneficiaries from its inception till now?.....
4. What value of loans has already been loaned since its operations in Dodoma?.....
5. What are the qualities for women to receive loan from BRAC?
6. Does the Institution provide training women before taking loans? (a). Yes (b).No
.....
If yes what kind of training
7. Do women use the training given.....
8. What activity do women perform?.....

9. Do you track if the loan is used for the purpose applied? (a). Yes (b) No

10. Do you make follow up to see women businesses? (a. Yes (b) No

11. How do you track that they keep records?

.....

12. Do the women able to repay the loan softly? (a). Yes (b) No

If no why.....

13. Do women seem to benefit from loans? (a). Yes (b). No

If yes how.....

14. Do you think access to loan from BRAC reduce poverty among women? (a) Yes
(b) No

If yes how.....

THANK YOU FOR YOUR COOPERATION