

**ASSESSMENT OF THE CONTRIBUTION OF MICROFINANCE  
IN PROMOTING WOMEN ENTREPRENEURIAL ACTIVITIES,  
A CASE OF KINONDONI DISTRICT**

**By  
Catherine Audax Mutagwa**

**A Dissertation Submitted as a Partial Fulfilment of the Requirements for the  
Award of the Master of Science in Applied Economics and Business (MAEB) of  
Mzumbe University**

**2020**

## **CERTIFICATION**

We, the undersigned certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled “**Assessment of the contribution of microfinance in promoting women entrepreneurial activities**” in partial fulfilment of the requirements for the award of a degree of Master of Science in Applied Economics and Business of Mzumbe University

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**Major Supervisor**

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**Internal Examiner**

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## **DEDICATION**

This research study is dedicated to my family and friends for their tireless efforts, support and prayers.

## **ABBREVIATIONS**

<b>ANOVA</b>	Analysis of Variance
<b>GEM</b>	Global Entrepreneurship Monitor
<b>SACCOS</b>	Savings And Credit Cooperative Societies And Organization
<b>STATA</b>	Statistical Software for Data Analysis
<b>URT</b>	United Republic of Tanzania
<b>VICOBA</b>	Village Community Banks
<b>VIF</b>	Variance Inflating Factors

## **ABSTRACT**

In large part, the microfinance industry has been a catalyst for boosting sustainable development, particularly for the less developed economies, for growth in the business sector, especially for small and medium-sized enterprises. In addition, the participation of women in the business sector in the small and medium-sized enterprise sector, especially in Tanzania, has been closely linked to the microfinance sector, which has proved to be a significant step for most female entrepreneurs. This study sought to assess the contribution of microfinance in promoting women entrepreneurial activities, in a case of women entrepreneurs in Kinondoni district. Specifically, the study intended to determine the effect of the microfinance loans (credit size) in promoting women entrepreneurial activities, to examine the effect of the microfinance interest rate on promoting women entrepreneurial activities and lastly to determine the influence of knowledge enhancements (trainings) provided by microfinance in promoting women entrepreneurial activities. This study employed a cross sectional research design particularly sampling a sample of 362 respondents. The study performed a purely quantitative analysis that involved the use of statistical and econometrical methods in order to create an empirical economic association within the studied information. In the findings, the study found out that the microfinance loans (credit size), interest rate charged and the knowledge enhanced (training), all together have a significant impact on the promotion of women entrepreneurial activities as they contribute to the business annual turnover and an expansion in the business outlets at different significant intervals. This therefore concludes that the microfinance does not only drive or stimulate the empowerment of women but also play a catalyst role in promoting women entrepreneurial activities. Hence recommended that there should be a promotion and advancement of the microfinance services so as to promote the development of small and medium enterprises and especially women-based businesses by financing them through various microfinance institutions.

## TABLE OF CONTENTS

<b>CERTIFICATION</b> .....	<b>i</b>
<b>DECLARATION AND COPYRIGHT</b> .....	<b>ii</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>iii</b>
<b>DEDICATION</b> .....	<b>iv</b>
<b>ABBREVIATIONS</b> .....	<b>v</b>
<b>ABSTRACT</b> .....	<b>vi</b>
<b>LIST OF TABLES</b> .....	<b>xi</b>
<b>TABLE OF FIGURES</b> .....	<b>xii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>PROBLEM SETTING</b> .....	<b>1</b>
1.0 Introduction .....	1
1.1 Background of the study .....	1
1.2 Statement of the problem .....	3
1.3 Objectives.....	4
1.3.1 General objective .....	4
1.3.2 Specific objective .....	4
1.4 Research Questions .....	5
1.5 Significance of the study .....	5
1.6 Scope of the study .....	6
1.7 Organization of the study .....	6
1.8 Limitations of the study .....	6
<b>CHAPTER TWO</b> .....	<b>8</b>
<b>LITERATURE REVIEW</b> .....	<b>8</b>
2.0 Introduction .....	8
2.1 Definition of Key Concepts .....	8
2.1.1 Microfinance .....	8
2.1.2 Women Entrepreneurs.....	8
2.1.3 Entrepreneurship .....	9
2.1.4 Promotion of entrepreneurial activities .....	9

2.1.5	Interest Rate .....	9
2.1.6	Credit size .....	10
2.1.7	Knowledge enhancement .....	10
2.2	Theoretical Review .....	10
2.2.1	Theory of Change.....	11
2.2.2	The Grameen model of microfinance .....	11
2.3	Empirical Literature Review .....	12
2.4	Conceptual Framework .....	17
2.4.1	Explanation of the nature effects of the variables .....	19
2.4.1.1	Loan Products (Credit size) .....	19
2.4.1.2	Interest rate charged.....	19
2.4.1.3	Knowledge enhancement (Training) .....	19
2.5	Research Gap .....	20
<b>CHAPTER THREE .....</b>		<b>21</b>
<b>RESEARCH METHODOLOGY .....</b>		<b>21</b>
3.0	Introduction .....	21
3.1	Research design.....	21
3.2	Area of the study .....	21
3.3	Population and Sample size .....	22
3.4	Sampling technique.....	23
3.5	Data collection procedures and methods.....	23
3.5.1	Questionnaires.....	24
3.5.2	Interviews .....	24
3.7	Data Analysis .....	24
3.7.1	Econometric analysis .....	25
3.8	Data validity and reliability.....	26
3.9	Variable Measurability.....	26
<b>CHAPTER FOUR.....</b>		<b>29</b>
<b>PRESENTATION OF FINDINGS.....</b>		<b>29</b>
4.0	Introduction .....	29

4.1	Response rate .....	29
4.2	Sample characteristics of the respondents.....	29
4.2.1	Age of the respondents.....	29
4.2.2	Level of education of the respondents .....	31
4.2.3	Marital statuses of the respondents .....	32
4.2.4	Business experience of the respondents.....	33
4.2.5	Nature of business of the respondents.....	34
4.3	Diagnostic test for the validity of data .....	36
4.3.1	Heteroscedasticity test.....	36
4.3.2	Multicollinearity test .....	37
4.3.3	Model specification test .....	37
4.4	Econometric model results.....	38
4.4.1	Estimated model:.....	40
4.4.2	Interpretation of the econometric model:.....	40
4.4.3	Estimated model:.....	42
4.4.4	Interpretation of the econometric model .....	42
<b>CHAPTER FIVE.....</b>		<b>44</b>
<b>DISCUSSION OF FINDINGS .....</b>		<b>44</b>
5.0	Introduction .....	44
5.1	Effect of Microfinance loans (credit size) in promoting women entrepreneurial activities. ....	44
5.2	Effect of Microfinance interest rate in promoting women entrepreneurial activities .....	45
5.3	Influence of knowledge enhancement (trainings) in promoting women entrepreneurial activities .....	46
5.4	Influence of external intervening factors in promoting women entrepreneurial activities .....	48
5.5	Challenges encountered in accessing loans by the women and faced by the microfinance.....	50
<b>CHAPTER SIX .....</b>		<b>51</b>

<b>SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS.....</b>	<b>51</b>
6.0 Introduction .....	51
6.1 Summary of findings.....	51
6.2 Conclusion .....	52
6.3 Policy Implication .....	53
6.4 Recommendations .....	53
6.5 Suggestion for further study.....	55
<b>REFERENCE .....</b>	<b>56</b>
<b>APPENDICES .....</b>	<b>62</b>
Appendix 1: QUESTIONNAIRE.....	62
Appendix 2: INTERVIEW GUIDE .....	66

## LIST OF TABLES

Table 3.1 Variable Measurability .....	27
Table 4.1 Questionnaire response rate .....	29
Table 4.2 Distribution of respondents by the level of education .....	35
Table 4.3 ANOVA statement and model fitness table of the business annual turnover among the studied women entrepreneurs.....	39
Table 4.4 Results of the regression model in the contribution of microfinance to the promotion of women entrepreneurial activities through the business annual turnover of women entrepreneurs. ....	39
Table 4.6 ANOVA statement and model fitness table of the business outlets among the studied women entrepreneurs.....	41
Table 4.7 Results of the regression model in the contribution of microfinance to the promotion of women entrepreneurial activities through the business outlets among women entrepreneurs .....	42

## TABLE OF FIGURES

Figure 2.1 Conceptual Framework.....	18
Figure 4.1 Distribution of respondents by Age.....	30
Figure 4.2 Distribution of respondents by level of education.....	31
Figure 4.3 Distribution of respondents by marital status.....	33
Figure 4.4 Distribution of respondents by business experience.....	34
Figure 4.5 Heteroscedasticity test on the fitted values of Business outlets.....	36
Figure 4.6 Heteroscedasticity test on the fitted values of Business annual turnover.....	36
Figure 4.7 Multicollinearity test output.....	37
Figure 4.8 Model specification test output on the fitted values of Business outlets.....	38
Figure 4.9 Model specification test output on the fitted values of Business annual turnover.....	38

## **CHAPTER ONE**

### **PROBLEM SETTING**

#### **1.0 Introduction**

This section introduces an overview of this study and the setting of problems. It comprises of background to the study, problem statement, study objectives, scope, research questions, and significance of the study.

#### **1.1 Background of the study**

The global rise of microfinance emerged in the late 1970s as a reaction of doubts towards the capacity of the different states to provide and deliver cheap loans and subsidized credits to the low-income communities. Ever since, the microfinance story, particularly in the business and economic sector, has been a successful one. In various economies and particularly in the developing countries, microfinance has proven to be the most trusted and sustainable solution for the entrepreneurs and most of all the low-income earners (MCGE, 2009). Nevertheless, due to this evolution, numerous microfinance-based institutions have emerged like the microfinance banks, the credit scheme and the community-based microfinance such as VICOBA.

In Tanzania's context, the microfinance commenced in the mid-1990s through the invasion of savings and credit cooperative societies and organization (SACCOS) as well as microfinance-based NGOs. The concept was further put into spotlight after the publishing of the national microfinance policy of 2000, which further described the duties and criteria of different microfinance segments (Kessy & Urio, 2006). However, the commencement of the microfinance in Tanzania has been eyed as a fundamental substitute for the financial services especially those that are to be specifically offered by macro commercial banks. Moreover, microfinance in numerous ways has proved to enhance accessibility of the financial services to the rural based low-income earners and to the micro, small and medium entrepreneurs (Lawson, 2007).

On the other hand, entrepreneurship has been majorly considered as the backbone of most developing economies and more precisely the Sub-Saharan Africa countries and furthermore, it has been regarded fundamental pillar eliminating poverty in a more proper sustainable way (Olu, 2009). Nonetheless, in Africa the small and medium entrepreneurs cover the major part of the business sector as compared to the large enterprise sector. According to GEM, 2019 the small and medium enterprises account for more than a half of the business activities performed in African continent. In addition to that, the small and medium business sector further contributes to about 34% of the total employment in the continent.

The entrepreneurial sector comprises of both male and female entrepreneurs, however, female entrepreneurs have always been considered as the staggering and unsteady segment of the business and innovation sector. However, over the recent years, female entrepreneurs have proven to be a relevant and crucial piece for the enterprises, organizations and in particular the technology sector (Farinell, 2014). According to the Women's Entrepreneurship survey (2019), 130 million women worldwide are active in the business activities (GEM 2019). Where as in Sub-Saharan Africa women entrepreneurship rates the highest worldwide, that is 25.9 % of all the adult population. However, Africa still has the highest business discontinuance rate as compared to other continents, which strikes to about 8.4 %. Furthermore, 56 % of the female entrepreneurs experience unprofitability in running the business and sometime lacking funds to run their specific businesses (GEM, 2019).

From the perspective of Tanzania, it is viewed that women are generally the less educated as compared to their male counterparts thus making women more exposed to the unskilled and the careers as well as occupations that are less professional (Rwebang'ira, 1996). Furthermore, several women in the formal sector are usually cut off from their jobs, as the majority worked in unskilled positions, including janitors, caregivers, lower school level teachers and secretaries. On the other hand, married females are most likely to be affected even because of the laying off their

husbands and the loss of family income (Creighton & Omari, 2000). It is further notable that, women entrepreneurs in the aspects of Tanzania majorly fall into the informal sectors and few in the formal sectors. Majority of who perform their entrepreneurial activities traditionally yield low turnover and sometimes no profit. The most famous and notable activities especially in urban areas are such as food vending (mama ntilie), tailoring, charcoal selling, retail shops, food and drink, stationary services, mobile money and the agriculture-based activities.

Females based businesses in Tanzania account for around 54 per cent of the small and medium-sized enterprises as a whole and about 60 per cent of micro-enterprises. Most of which are geared by the notion of complementing their families and to supplement their personal incomes (Wilboard & Mbura, 2017). However, despite the inspiring dominance of the women in the entrepreneurial sector, most of these enterprises are micro as compared to their male counterparts (Schmidt & Polik, 2015). Moreover, the involvement of women entrepreneurs in the small and medium business world specifically in Tanzania has highly been linked with the microfinance sector, which has proven to become a huge stepping-stone for most women who venture into the entrepreneur world.

## **1.2 Statement of the problem**

It is widely acknowledged that the microfinance sector has gained a desirable recognition as a means of enhancing sustainable development, especially for the less developed economies. It has further been recognized as a symbol of economic progress (Abor, 2017). At the other hand, the microfinance sector has proven to be of immense importance to the welfare of the people, which can be demonstrated by a large increase in lenders around the world. According to Convergences (2019), for example, microfinance programs maintained 139.9 million borrowers worldwide in 2018 compared to 98 million in 2009. A 80 percent of these 139.9 million borrowers are female lenders and 65 percent have agricultural nature. In addition, it is further accepted that, microfinance services have a justifiable impact on small and medium-sized business sector growth and efficiency (Farghly *et al.*, 2018; Swapna, 2017).

Nevertheless, despite its crucial contribution to the economy and more specifically to the small and medium enterprises, the microfinance sector has been eyed as an ambiguous sub finance sector. This is drawn from its controversial repercussions especially in the sub Saharan Africa and women specifically, such as imposition of a relative higher interest rate (lending rates), strict loan repayment conditions as compared to the commercial banks. This, in most cases, leads to hardship for the payment of these loans and creating a harder economic condition to the lenders as especially to the small and micro income earners in sub Saharan Africa (Hadidi, 2018; Johnson, 2018 & Gitau, 2018). Furthermore, despite such controversies majority of the studies conducted on women entrepreneurship examine the empowerment of women entrepreneurs. As such, this study intended to assess the contributions of microfinance in promoting women entrepreneurial activities. The study primarily examines two major dimensions that are; business outlets and annual turnover as metrics for promotion or advancement of women entrepreneurial activities.

### **1.3 Objectives**

The objectives of the study are divided into two different categories, which are the general (major) objective and the specific (particular) objectives.

#### **1.3.1 General objective**

The general objective of this study was to assess the contributions of microfinance in promoting women entrepreneurial activities.

#### **1.3.2 Specific objective**

- i. To determine the effect of the microfinance loans (credit size) in promoting women entrepreneurial activities.
- ii. To examine the effect of the microfinance interest rate on promoting women entrepreneurial activities.
- iii. To determine the influence of knowledge enhancements (trainings) provided by microfinance in promoting women entrepreneurial activities.

#### **1.4 Research Questions**

- i. What is the effect of microfinance loans (credit size) in promoting women entrepreneurial activities?
- ii. What is the effect of microfinance interest rate in promoting women entrepreneurial activities?
- iii. How does the knowledge enhancements (trainings) provided by microfinance promote women entrepreneurial activities?

#### **1.5 Significance of the study**

This study is aimed to impart awareness and well-intended empirical information about Microfinance on how they operate and the services provided as the means of promoting entrepreneurship activities, especially among women.

To other researchers and scholars, the outcome of the study may be a fundamental source of literature material for future studies on the overall scenario of Microfinance and women entrepreneurship. The findings may as well be valuable to the government, in its goals to promote and empower women to the global economic and business world.

The results of this study may be helpful to policymakers by providing valuable information on the contributions of Microfinance and promoting women entrepreneurs. On the other hand, the study may also be helpful to other stakeholders of the Microfinance sector to become more aware of microfinance and their impacts on the community.

In addition to the above significances, the study has been significantly important to the researcher in gaining analytical skills and experience in research methodology for the successful accomplishment of her master's degree and career development.

## **1.6 Scope of the study**

The study defines and clarifies on the contribution of microfinance in promoting women entrepreneurial activities. Therefore, the study took place in the district of Kinondoni in Tanzania's Dar es Salaam region. The study involved researching women, i.e. adult women engaging in business activities but also engaged or connected to microfinance. Furthermore, since the study did involve determining the challenges that microfinance face in the granting of the loans and the criteria they use in screening the clients, the study also interviewed the microfinance officers particularly in the Kinondoni municipality.

## **1.7 Organization of the study**

This research study consists of six chapters. Chapter One consists of the Background of the study, objectives, research questions and significance of the study. Then follows chapter two titled Literature Review, which presents various literatures, theories and the related variables in relation to the contributions of the microfinance to the promotion of women entrepreneurial activities. This chapter goes further to present empirical analysis of different literatures. An evaluation of both theories and literatures is finally presented highlighting the research gaps that is to be filled by the study. Chapter Three is titled Research methodology. It represents the research design and details how the study analysis has been conducted. This chapter also presents the study model, variables and explains how these variables have been described and measured. Chapter Four then presents the findings, results and their interpretations. Chapter Five finalises the presentation findings by discussing such findings and explaining the implications of those findings. Lastly, Chapter Six explains the summary of the study, conclusion, recommendations and the policy implication.

## **1.8 Limitations of the study**

During the undertaking of the study, gathering the primary based data and information from any urban streets of Kinondoni district was never an easy task.

Therefore, the study suffered the following limitations in addition to several research approaches and attempts to make the study successful.

Time and resources limitations; the time and resources restrictions were highly encountered during the study and hence hindered the timely completion of this study. Hence, only 9 wards of all of the 27 Kinondoni wards for the study were chosen. Also this research study experienced a challenge of financial resource. This is because the study involved studying a huge sample (385) of respondents across the Kinondoni district. This necessitated to employ a team of 10 research assistants in the collection of data across the widely spread women entrepreneurs in the Kinondoni district.

The challenge to access the elderly women: Accessing the elder women was very difficult, such that information collected from women particularly older women was not easily accessible, compared to other younger women in the study area. The elder women especially those with slight bigger businesses claimed to be caught to their business activities thus being busy to provide any necessary information. On the other hand, the majority of the elder women were not willing to participate in providing the necessary data due to the young aged data collectors (research assistants) and the type of the questions that were in the questionnaire such as age, business turnover, marital status and the level of education.

Lastly, the other major limitation the study confronted was lack of cooperation from the microfinance officials, number of who obviously seemed unwilling to give out data or information and be interviewed for the study

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This section covers the review of the literature in relation to this particular study. Thus, this section did include the definition of terms, theoretical literature reviews, and empirical literature review, conceptual framework and lastly the research gap.

#### **2.1 Definition of Key Concepts**

##### **2.1.1 Microfinance**

Microfinance is a general term used for reference to a microfinance banks or to an micro institution that offer financial services, usually a microfinance institution provides micro or small financing to its customers and customers businesses. On the other hand, microfinance means a broad spectrum of financial services, including loans, deposits, money transfers, payment and insurance to low and poor households and micro-enterprises (Salim, 2013). Such services provided by the microfinance can then stir up the growth and development of the micro sector such as the small and medium enterprise sector, which in turn may lead to a boost of the overall economy. However, Sunman and Eric (2013) defined microfinance as the means for financial services for persons or groups of low income that are excluded from the conventional banks and the traditional commercial banks. The most important focus of microfinance institutions is on credit, sometimes called microloans or micro-credits in the form of small working capital credits. However, some may tend to provide insurance and payment transfers savings accounts too. On the other hand, it may mean supplying financial services to the low-income clients, including the low-income self-employed customers. In addition, financial services can be offered to families, farmers, small, and micro-enterprises in rural and urban areas (URT, 2017)

##### **2.1.2 Women Entrepreneurs**

Generally, women entrepreneurs refer to women who enter the world of business and entrepreneurship as independent and progressive women. In addition, women

entrepreneurs are those who carry out business activities or business related operations while operating individually or inside organizations with the intention of pursuing or creating market opportunities (Marlow, 2002).

### **2.1.3 Entrepreneurship**

The term entrepreneurship is generally a wider term in the field of business, economics and similar related fields. According to Osunde (2014) entrepreneurship is the ability and readiness to create, organize and manage a business enterprise along with all its risks to benefit. However, Ebrashi (2013) described entrepreneurship is a mechanism by an entrepreneur who is always searching for innovations and exploits those ideas to benefit by embracing the risk and uncertainty with the business. In addition, competitive and dynamic activities, creative operations, revenues and risks tend to characterize entrepreneurship.

### **2.1.4 Promotion of entrepreneurial activities**

Promotion of entrepreneurial activities is an advancement and expansion step in which the business or an enterprise hits the development stage and searches for new opportunities for income, it includes operation at a different location (business outlets), add- sales personnel, increasing marketing, add- franchisees, establishing an alliance, offering new products or services, entering into new markets, fusion or acquiring another business, expanding globally and expanding over the internet are various ways of expanding business (Wilboard & Mbura, 2017). According to Makhbul (2011), however, the entrepreneurial promotion process is to boost the performance of any business. Promotion of entrepreneurial activities is possible by either increasing the top-line or company sales, or by growing the bottom line of the company, or by reducing costs. For the case of small and medium enterprises the expansion is highly characterized with an increase in net worth of the business including stock, business outlets and revenue turn over generated.

### **2.1.5 Interest Rate**

The interest rate is the percentage of an amount that the lender charges for the use of assets as a percentage of the capital. The interest rate is usually recorded as the annual percentage rate (Olu, 2019). However, Narender (2015) defined the term as the amount of money payable per period as a percentage of the amount that is loaned, lent or lent, known as the key amount. The net interest on an amount loaned or lent depends on the sum, the interest rate, the aggregate rate, and the period of loan, deposit or borrowing.

### **2.1.6 Credit size**

Credit size or also termed as the microfinance loan is the amount of money that one or more individuals, associations, or other entities have lent from other parties, institutions, etc. The recipient (i.e., the borrower) is liable to pay interest on the loan without maturity and to pay the money lent (Rankin, 2002).

### **2.1.7 Knowledge enhancement**

Knowledge enhancement i.e. is also signifies to trainings refer to the trainings and knowledge enhancement activities performed by the microfinance institutions as part of the microfinance programs so as to develop the borrowers in efficiently utilizing the resources that are provided by the microfinance (Olu, 2019).

## **2.2 Theoretical Review**

There are a wide variety of existing theories on microfinance and entrepreneurial growth and one the major challenge is to define the most essential, and that is associated with this analysis of particular study. Such theories include the trade-off theory, Village banking theory, Critical microfinance triangle model, Life cycle approach theory, Grameen solidarity group theory and Performance evaluation models. However, this study intends to employ two economic based theories to illustrate the interlinkage of the microfinance to the promotion of women entrepreneurial activities. These theories are the theory of change and the Grameen model of microfinance.

### **2.2.1 Theory of Change**

The theory of change emerged in the 1990s and was put forward by Carol Weiss with a purpose to address how certain undertakings can contribute to the social and economic development programmes (O’Flynn, 2012). The theory of change critically highlights how certain desired transformations and advancement tend to occur because of undeniable actions or conducts. The theory further explains how the linkages between inputs (the resources that went into the program), activities (what the program does), outputs (the level of development that the program has produced) and results as well as the effect i.e. what changes have taken place (Vogel, 2012).

As of the microfinance perspectives, provision of micro loans, savings, micro insurance and knowledge (training provisions) as well as other services rendered by the microfinance institutions are considered as inputs for most of the entrepreneurship activities, especially the micro, small and medium enterprises (Rankin, 2002). Furthermore, the actual entrepreneurial process (selling and buying) will yield an intended output and thus a desired outcome such as the business growth, increased profit margins, and growth of capital as suggested by Rankin (2002) and Ebrashi (2013). The theory of change works in accordance to this particular study since the study intends to make an assessment of the contributions of microfinance in promoting women entrepreneurial activities, whereas the contributions of the microfinance in this study case are considered as the inputs to the business activities done by women while the promotion and advancement of the women entrepreneurial activities are considered as the outcomes that are specifically the business outlets and the annual turnover growth.

### **2.2.2 The Grameen model of microfinance**

The Grameen model of microfinance emerged in 1976 and was introduced by Professor Muhammad Yunus. The Grameen model is one of the microfinance models that is most recent and well customized on finance-based sector. It arose when it was noticeably evident that the low-income people can also pay back their debts on time and can save money, given they can access the personalized financial

services and thereby improve the low-income earners' development and prosperity (Aryeetey, 2005). The theory simply highlights the influence of the microfinance sector towards the micro and small enterprises as the main dimensions as well as low-income earners (Goldberg, 2005). According to Ghalib (2007) the theory shows how the impact of the microfinance institution and the services it provides has the possibility not only of helping the poor to survive, but also of generating the spark of personal initiative and entrepreneurship among the people needed to get out of poverty, and how microfinance services can be of considerable benefit to the enterprise sector.

The provision of the microfinance services such as the micro savings, knowledge enhancement as well as the micro credits are captured in this model as the fundamentals for the growth and development of the low income earners including the small and micro entrepreneurs both in the rural areas and the urban areas (Goldberg, 2005). The Grameen model of microfinance applies in line with this specific research study since this study aims to make an assessment on the contributions of microfinance to the promotion of women's entrepreneurial activities, while in this case the contributions of microfinance that are in forms of micro loans and the trainings, are captured in this particular model as the fundamentals for the growth of low income based small and medium enterprises hence an advancement and growth of these entrepreneurial activities.

### **2.3 Empirical Literature Review**

Several studies have been conducted by various scholars to understand the overall microfinance scenario from different perspectives and their important contribution to the entrepreneurial environment and most of all to empowerment by women. For instance, Aftab and Naveed (2018) performed an assessment on the role played by microfinance institutions in entrepreneurship development in Gujrat district in Pakistan, the study primarily aimed at assessing the role played by the microfinance institutions and assessing the level of satisfactions between microfinance clients. Findings from the study suggested that most of the clients use the loans extracted

from the microfinance institutions for their personal use such as marriage, house building and education. Moreover, findings also portrayed that microfinance institutions are crucial for the development of the entrepreneurship activities especially within the Gujrat district. This study however used a sample of 150 respondents that were microfinance institution operatives, thus providing a questionable conclusion, thus, findings from this study could however be misleading due to a biased sample selection that was only one side based.

A study by Swapna (2017) was performed to assess the impact of microfinance on women entrepreneurship in India, the study was mainly focused on three main objectives that are exploring the role of women in the economy, assessing the microfinances as instruments of women entrepreneurship and lastly evaluating the effectiveness of microfinance in the development of women entrepreneurship. However, the study analysis was performed on the basis of a secondary data specifically from the trade magazines, annual bank reports and other internet source, which in most cases are not reliable sources especially when carrying out such cross-sectional studies. Furthermore, the study proved to be very broad, such that in its findings it also portrayed the impact of microfinance to improved women health, hygiene, family standards, education and nutrition, which simply demonstrates diversion of the study scope, since the study had to only concentrate to the women entrepreneurial scope.

Omodolapo (2017) undertook an analysis on the impact of microfinance on small and medium enterprise entrepreneurial growth, particularly on Oyo state in Nigeria. Results in the analysis of the findings showed that a significant number of entrepreneurs prefer to use and use the microfinance services to finance and boost their welfare for business. Additionally, findings portray that large numbers of entrepreneurs engaged in microfinance have substantial output and business outcome relative to those engaged in microfinance services that do not. However, the study noted that while microfinance has been seen as the crucial part of small and medium-sized enterprises, they have a minor and insignificant contribution to the economic

growth of the entire small and medium-sized enterprises sector. The study also concluded that microfinance institutions worldwide, in particular Nigeria, are among the major contributors to the financial sector and, through their services, have positively influenced all economic actors. Nonetheless, the study considered a primary data collection technique, which was quite biased since the studied population of microfinance clients that are all connected to a single microfinance that is the Polytechnic Ibadan Microfinance bank.

Farghly *et al.* (2018) conducted an empirical assessment on the impact of microfinance on sustainable development and growth of micro, small and medium enterprises (MSMES), particularly on Egypt. The study was performed to observe the impact of microfinance on three major dimensions that are the financial aspects, social aspects as well as the environmental aspects. Findings revealed that Microfinance initiatives have helped to explain with the highest significance 22.1 percent of the variations of sustainable financial development. In second place, microfinance has led to 19.6% shift in socially sustainable development. In terms of acceptability and understanding, microfinance attributes with a 42.5% effect on environmental sustainability.

Nevertheless, a study was carried out in Nigeria by Aladejebi (2019) to analyse the impact of the microfinance bank credits in financing the small and medium enterprises in Lagos. The study randomly sampled micro, small and medium entrepreneurs from the markets and in the findings, the study portrayed that a huge percent of the studied sample (SMEs), indicated that most of the loans received are from traditional commercial banking systems and not from microfinance facilities. The study further clarified, only small loans, known as soft credits, that can only boost business operations are offered in the case of microfinances, however majority of the enterprises rely on the commercial banks. Additionally, in a slightly similar study by Abdi (2019) that was specified on assessing the microfinance activities in two different districts within Addis Ababa, Ethiopia, the study pinpointed the possible effect of community banking system that did occur due to the change of the

financial operations by the microfinance. The results observed include an improved credit access and processing together with a reduction of the information asymmetry.

Taiwo *et al.* (2018) performed an analysis on the role of microfinance institutions in financing small businesses in Nigeria. The study explored on the different functions played by the microfinance banks and how these functions tend to affect the small businesses and to what extent do these small businesses gain from the microfinance institutions. The results of this study further encourage microfinance banks to recapitalize and boost their ability to support growth and development in small businesses. In addition, microfinance banks and institutions have an impact on the use of collateral as a condition for granting credit to small businesses. However, the critiques of this study was on the selected sample, such that the study involved collecting data from a sample of 15 respondents through interviews which is quite small in terms of number of sample as compared to the amount of small businesses available in Nigeria.

Yeboah (2017) assessed the effects of microfinance on grassroots development in Ghana, specifically on a case study of small and medium scale enterprises in Kwabre East district the Ashanti region. The study evaluated several micro-finance institutions as well as small and micro-enterprises were selected making 82 sample respondents. The study results showed that a large number of the sampled owners of small and micro enterprises acknowledged the existence of a positive effect on their business operation and overall performance of Microfinance Services. However, the study suggested conclusively that, micro-finance institutions must give the micro and small enterprises professional guidance at all times because adequate business guidance and training notify lending agencies if the sum demanded for the project by the undertakings is too high. Moreover, microfinance should also arrange training courses and seminars to educate SMEs on their corporate strategies, their use of the funds and the manner in which they receive funding. Microfinance should also launch more development projects to build small and medium-sized enterprises trust and conviction. Nevertheless, the study employed non-probabilistic sampling

techniques, particularly the convenience and the purposive sampling technique, which are quite biased in the selection of the sample. Thus, findings from this study can also be regarded as bias due improper selection of the sample.

Ouma and Ogaga (2015) investigated the effect on household welfare in Suna East Sub County by Microcredit facilities and the microfinance institutions. The study focused on micro-credit clients who received loans from five targeted microfinance institutions. A sample size of 306 families has been obtained for the study using the Morgan's sampling table. Questionnaires were used for gathering data from respondents as the analysis was being carried out. Furthermore, for the purposes of determining the linkage between the variables, multiple regressions analyses were carried out. The results showed that micro-loans play a role in raising respondents 'overall quality of life by enhancing wages, eating habits, wellbeing and schooling. The study recommended on emphasizing the importance of microcredit services to improve household welfare as well as increasing accessibility and availability of credit.

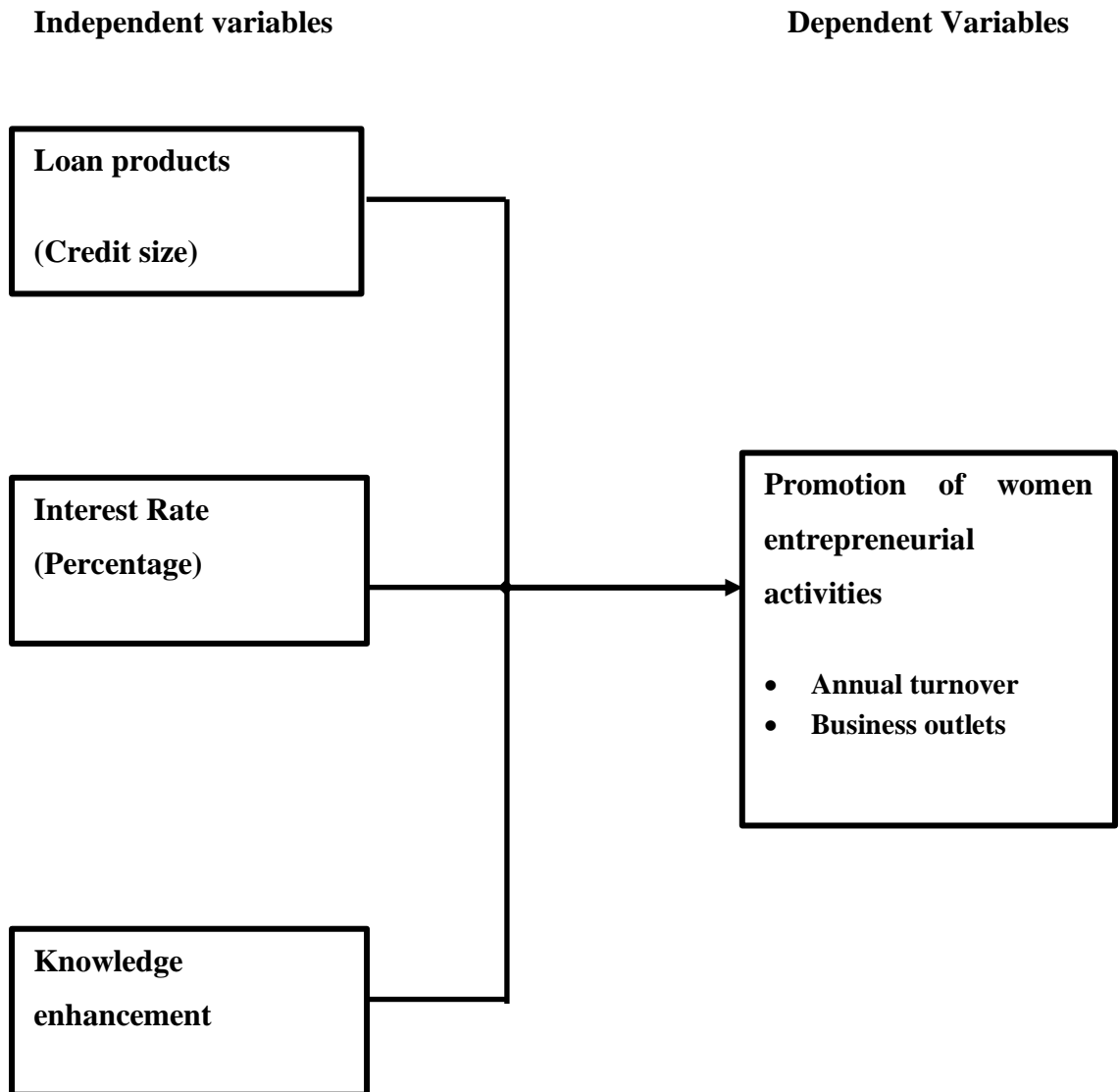
Some scholars have proved against the notion of microfinance contributions to the promotion of entrepreneurial activities (Johnson, 2018; Bangoura *et al.*, 2016; Hadidi, 2018; Gitau, 2018). For instance, Hadidi (2018) on a study that aimed to investigate the impact of microfinance to the growth and development of entrepreneurial activities, argued that majority of the microfinance are ran on their own profit motive and not providing services to the low income earners as it is widely noted. Moreover, they tend impose a relative higher interest rate (lending rates) together with even more harsh loan repayment conditions as compared to the commercial banks which in most cases leads to hardship in the payment of these loans. Similar to Hadidi (2018), Gitau (2018) further cements that most micro financing tends to hurt borrowers and even establish a tougher economic situation, particularly small and micro-income income earners in Kenya and similar economies. He has highlighted the harsh and non-favourable lending conditions as the main setbacks for this low-income welfare in his research seeking to study the

effects of microfinance in Sub Saharan African countries. In his analysis, he claimed that some of the microfinance companies continue to have some of the assets owned by the lender and other personal credentials such as credit cards before the loan is fully reimbursed. These, simultaneously with other studies such as Johnson, (2018) and Bangoura *et al.*, (2016) that they both signify that this field still provides inconclusive dimension of the issue of microfinance and its contribution in promoting the economic welfare of the people including women entrepreneurial activities.

#### **2.4 Conceptual Framework**

Kothari (2004) describes the conceptual framework as a structure that shows the relationships between the key variables in a given analysis. A conceptual system is a multi-variant analytical tool used to identify and coordinate concepts. A robust conceptual framework captures and does portray realistic concepts and ideas that are easily remembered and implemented. The conceptual framework also clarifies the researchers assumptions about the relationship between variables considered crucial in the analysis. On this particular study, in order to meet the objectives and identify the variables as well as their interlinking, the following figure defines such a relationship, whereas in the figure there are dependent variables and the independent variables. The dependent variable (promotion of women entrepreneurial activities) was assessed into two broad categories; Annual business turnover and the business outlets. This is because a promotion of entrepreneurial activities will eventually boost the advancement and growth of the businesses, which is examined through the growth of the annual turnover and business outlets.

**Figure 2.1 Conceptual Framework**



## **2.4.1 Explanation of the nature effects of the variables**

### **2.4.1.1 Loan Products (Credit size)**

The loan product or credits size refers to the amount of money that was or is loaned out to the client from the particular microfinance. The variable loan product (credit size) is predicted to have an influence to the expansion of women businesses and thus contribute to the promotion of women entrepreneurial activities. This is because in most cases the loans obtained from the microfinances by the entrepreneurs are used to expand and boost their entrepreneurial activities. Furthermore, this variable is expected to have a positive relationship to the dependent variable business expansion, in such that as the independent variable credit size increases the business expansion variable is expected to also increase.

### **2.4.1.2 Interest rate charged**

Interest rate charged refers to the percentage of the principal that is charged by the lender. The variable interest rate is projected to have negative influence to the expansion of women businesses and thus contribute to the promotion of women entrepreneurial activities. This is because a higher charged interest leads to a higher amount of the loan repaid as compared to the principal. Thus, a higher interest rate yields a smaller or no expansion of the business

### **2.4.1.3 Knowledge enhancement (Training)**

The knowledge enhancement or trainings refer to the trainings and knowledge enhancement activities performed by the microfinance institutions as part of the microfinance programs. The variable is predicted to have an influence to the expansion of women businesses and thus contribute to the promotion of women entrepreneurial activities, since the more trained an individual is the more he/she is expected to utilize the available resources together with the microfinance provided resources. Thus, such entrepreneur may find it easy in expanding the business as a whole. Furthermore, this variable is expected to have a positive relationship to the dependent variable business expansion, in such that the trained personnel (entrepreneurs) are expected to have expanded more businesswise.

## **2.5 Research Gap**

The study acknowledges a considerable growth in microfinance sector and its services, both for the formally registered and non-registered microfinance groups such as community-based microfinance. This has been highly correlated with the rise and growth of the entrepreneurial world and entrepreneurship activities, especially in low-developing countries such as Tanzania. It is already argued that this microfinance and the services it offers has encouraged and allowed a number of entrepreneurs from the high-income earners to the low income. However, some of the scholars have proved otherwise especially in the case of sub Saharan African countries (Bangoura et al., 2016; Johnson, 2018; Hadidi, 2018; Gitau, 2018). This provides a loophole (gap) for a further investigation on the contribution of microfinance in promoting the women entrepreneurial activities. Furthermore, majority of the studies carried out on the women entrepreneurial scope aimed at observing the empowerment of the women entrepreneurs. The current study specifically examines two major dimensions; business outlets and the annual turnover as the indicators of promotion or advancement of women entrepreneurial activities as a result of the loan product (credit size), knowledge enhancement, and interest rate. In that regard, the study ran two different econometric models on the number of business outlets and the annual turnover as the dependent variables.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This section discusses research design, the study area, target population, sample size and sampling methodology, data collection, data analysis, validity and reliability of the data, and ethical considerations.

#### **3.1 Research design**

Research design is the strategy or layout structure and, in addition, a blueprint for the investigation strategy designed to obtain answers to the study questions through a systematic collection and data analysis in the process of balancing study intended value with economy (Kothari, 2004). Cooper and Schindler (2011) clearly clarified the term research design as the strategy that seeks to classify the sources of information and data or data related to the research problems, and defines the data collection techniques and methods for analysing the data. For this research study, the cross-sectional research design was used for classification purposes as well as for evaluating the relationship between the variables and between them. Cross-sectional research design is a research design in which the specific analysis is performed at one point in time. As such, data collection from a selected sample of respondents is performed at one point in time (Kothari, 2004). The cross-sectional research design was preferred due to the existence of the sample that studies the particular topic at that point in time. Therefore, the information gathered would provide an up-to-date conclusion on microfinance and the promotion of entrepreneurial activities for women.

#### **3.2 Area of the study**

The study was conducted in Kinondoni municipal within the Dar es Salaam region. The Kinondoni municipal is one of the 5 municipals present in Dar es Salaam region that covers an area of 531 kilometres squared. The study area also has a population of 1,775,049 as of the 2012 census, where there are 14,247 female and 860,802 male.

The Kinondoni municipal comprises of 27 wards and an approximate of 516,504 households. The area of study is preferred for the reason that there have been an increasing number of the micro-finances within the region and particularly within the municipal of Kinondoni, which has proved to have a wide number of microfinance including the different variety of SACCOS, the microfinance banks, credit scheme and Community based microfinance such as VICOBA. Furthermore, in the Dar es Salaam region, Kinondoni is the second largest municipal in terms of business volume just behind Ilala, which proves a desired sight for this study.

### 3.3 Population and Sample size

Population refers to a whole category of persons, objects, events, or things, generally referred as a sum of all elements. Whereas the sample is the set of such population elements from which the inference is drawn (Kothari, 2004). In order to save the time and money and make data easy and reliable, the sample should be neither extremely large nor excessively tiny. Sample size is the number of items from the population that are to be chosen to create a sample. Basing on the specified type of population studied, the population isn't quite known thus employing the Cochran's sample calculation formula that is specifically when studying unspecified and unknown population. An efficient sample size fulfils the needs of diversity, effectiveness, representativeness, accessibility, reliability and versatility. The sum of 385 survey respondents representing the total research population was therefore selected by the research.

As derived from Cochran (1963), the following sample size mathematical formula is used to estimate the preferred sample size of the respondents;

$$\text{Sample size} = \frac{Z^2[P(1-P)]}{e^2}$$

Where;

$Z$  is the  $Z$  score that is equivalent to 1.96 at 95 percent confidence level

$P$  is the proportion of the population

$e$  is the margin of error

$$\text{Sample size} = \frac{1.96^2[0.5(1-0.5)]}{0.05^2}$$

**Note:** the population of women entrepreneurs is unknown

Sample = 384.16

However, according to Kothari (2004), any amount of sample can be selected as long as it is above the calculated sample. Thus, this study selected 385 respondents to constitute the sample size.

### **3.4 Sampling technique**

Often research respondents are anticipated to be heterogeneous in their undertakings, living conditions and more specifically expectations on the financial services by micro-finance and their entrepreneurial activities. Thus, it may be difficult to obtain the required information for the study. Therefore, the study did employ a combination of two probabilistic sampling techniques; that are a simple random sampling and a cluster sampling technique. This is because women entrepreneurs in the Kinondoni district are staged in different wards, all of which are significant for the assessment of microfinance contributions to the promotion of women's entrepreneurial activities.

Through cluster sampling technique, the population was therefore sub divided into different geographical wards that are present in the Kinondoni district. Furthermore, a simple random technique was employed to select the sampled wards. Lastly a simple random was also be used to obtain the women entrepreneurs to be studied in this particular study.

### **3.5 Data collection procedures and methods**

Data collection refers to the process of assembling, measuring and recording facts (data) of interest on specific variables of the study (Mason & Bramble, 1997). In the data collection, process the study did involve two primary data collection tools that are specifically the questionnaires and the interviews.

### **3.5.1 Questionnaires**

The data for the research study were gathered precisely through well-organized, standardized research questionnaires, because the nature of the study highly recommends the primary type of information for the analysis. Furthermore, the questionnaires were distributed to the respondents and later collected back by the researcher. This data collection approach has proven more important as it offers quantitative as well as qualitative depth in data collection. The preferred mode of language for the questionnaires was English because of the essence of the respondents who are expected to be literate enough and comfortable on the English language. However, in some cases the translated version of the questionnaire to Kiswahili was made available to respondents who did prefer the Kiswahili language.

### **3.5.2 Interviews**

Interviews were also carried out to promote the collection of data and eliminate discrepancies that might be encountered in the other data collection methods. The interviews were carried out on a basis of a one on one meeting between the researcher and the respondent, where they were mostly performed to the microfinance officials to obtain clarity on the studied issues. This method of data collection involved informing and contacting the respondents on the interview process along with the distribution of questionnaires in order to establish and manage a friendly connection with the respondents for effective data collection. The interviews were conducted in English languages, but when a respondent preferred Swahili clarity was given in Kiswahili Swahili language.

### **3.7 Data Analysis**

The data analysis, according to Kothari (2004), is the computation and quest for relationships between data groups of different measures. Alternatively, Cooper & Schindler (2011) explain data analysis as a processing, transformation, and modelling mechanism in order to identify valuable statistical decisions as data analysis intends to obtain useful information and to make decisions based on data collection. A purely quantitative data analysis was used in this particular research

such that, there area descriptive analysis and an inferential statistical analysis, where an econometric analysis was performed

The method of computing and analysing the quantitative summaries of the data or information collected is viewed as a descriptive statistical analysis. The econometric analysis includes the use of statistical and economics expertise and methods in order to create an empirical economic association with economic data or information (Mason and Bramble, 1997).

### **3.7.1 Econometric analysis**

The model used explicitly expressed as;

$$Y_i = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu$$

Where:

$Y_i$ =Promotion of women entrepreneurial activities (turn over and business outlet)

$\beta_0$  = constant

$\beta_i$  = estimated coefficients of the explanatory variables

$X_1$ = loan product (credit size)

$X_2$ =knowledge enhancement

$X_3$ =interest rate.

$\mu$  = Disturbance term i.e. the error term

In the construction of this econometric model as for the determination of whether the microfinance has a contribution to the promotion of women, two econometric models were ran. That is, to the corresponding dependent variable of business outlet and the

annual business turnover, while the dependent variables being specifically loan (credit) size, knowledge enhancement and interest rate.

### **3.8 Data validity and reliability**

The researcher did receive a letter from the authorities as a permit for the acquisition of the data to attend respondents for the purposes of collection of data and must ensure that the relationship with interviewees is preserved.

The content's reliability and validity can be assured by ensuring that every question in the questionnaire is true and easily understandable. To ensure that, the researchers are accurate, a pilot study was carried out with two sample respondents to pre-test the questionnaire. The pre-testing of the questionnaire according to Masibo (2005) shows the feasibility of the proposed data coding protocol. It as well shows if there exist any flaws and/or ambiguities in the instrument of data collection.

### **3.9 Variable Measurability**

The following section of the variable measurement explains how the variables are categorized as per expectations and how they were described in terms of measurements.

**Table 3.1 Variable Measurability**

Variable	Measurement	Category	Expected sign (+/-)
Promotion of entrepreneurial activities	Annual turnover (monetary figures) Business outlets (numerical figures)	Continuous	
Credit size	Monetary figures (Amount of loan accessed by the women entrepreneurs)	Continuous	Positive (+)
Knowledge enhancement	1= Trained (enhanced with knowledge on the management of resources and entrepreneurship) 0= Not trained (not enhanced with knowledge on the management of resources and entrepreneurship)	Categorical (Nominal)	Positive (+)
Interest Rate	Percentage (percentage charged by the microfinance to women entrepreneurs on the previous loan)	Scale	Negative (-)

Table 3.1 highlights the independent variables expected to have a positive sign and thus positively affect the dependent variable except for the variable interest rate that was expected to affect the dependent variable negatively.

**CHAPTER FOUR**  
**PRESENTATION OF FINDINGS**

**4.0 Introduction**

This chapter presents the empirical findings of the current study. It specifically explains the practical relationship discovered among the variables. This section therefore, does consist of the descriptive statistics, econometric results, and the correlation analysis.

**4.1 Response rate**

A total of 385 questionnaires were distributed to the sampled respondents in different wards of the Kinondoni district. In turn, 362 questionnaires were well answered and successfully returned. This makes a response rate of 94 percent, which is associated with a precisely structured questions and field work management.

**Table 4.1 Questionnaire response rate**

Response	Frequency	Percentage
Returned	362	94.02
Not returned	23	5.97
Total	385	100.00

Source: Research findings (2020)

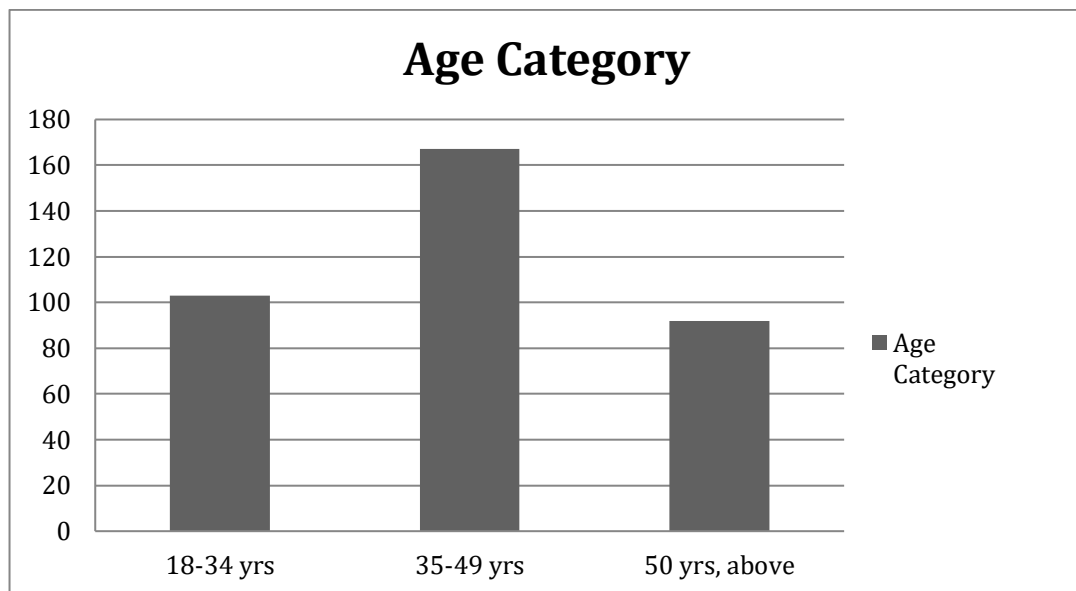
**4.2 Sample characteristics of the respondents**

The descriptive analysis of the demographic characteristics of the sampled respondents was used to explain the fundamental characteristics or features of the studied respondents. Such analysis provides the basic summary of the information collected and analysed. Virtually, all quantitative data analysis is based on them.

**4.2.1 Age of the respondents**

The descriptive statistics on the distribution of respondents by their age is addressed one of the features of the studied respondents. The aim is to determine the age category of the respondents. This reflects the presumption that age can indirectly influence the entrepreneurial performance of entrepreneurs. As such, different age categories of entrepreneurs tend to yield different perspectives to life and more specifically to the business.

**Figure 4.1 Distribution of respondents by Age**



The findings on the age of the respondents revealed that, the maximum (highest) age of the respondents was 71 years while the minimum age was 19 with the sample mean (average age) of 39 years. According to the figure 4.1 above findings portray that, out of the 362 studied respondents, 103 respondents that are equivalent to 28.5% have an age range of between 18 and 34 years of age, on the other hand, 167 respondents that are statistically equivalent to 46.1% were categorized in age range of between 35 and 49 years of age. Lastly, 92 of the studied respondents, which are equivalent to 25.4%, are aged 50 years of age and above.

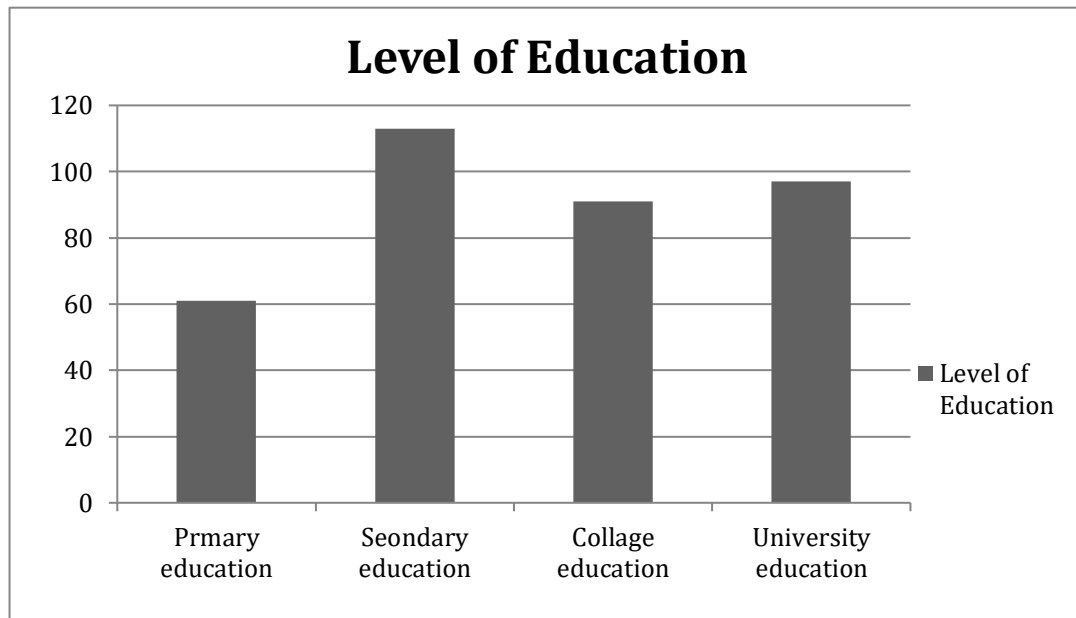
These findings on the age distribution of respondents comply with findings by Wilboard & Mbura (2017) that, the middle-aged adult women tend to involve more

in entrepreneurial activities than any other age groups. Furthermore, these findings provide an implication that, majority of the women entrepreneurs especially in the Kinondoni municipal as the area of the study, are middle aged adults of age range between 35 and 49 years. This, in most cases is the prime age of doing business. However, it is also portrayed that fewer elders (aged 50 years and above) are engaged in business as compared to the youth that are grouped below 35 years of age, which simply implies a future success and growth in the entrepreneurial sector.

#### 4.2.2 Level of education of the respondents

The descriptive analysis on respondents by their level of education was assessed as one of the demographic features of respondents because academic credentials or entrepreneurs' level of education will hypothetically affect the levels of business success and its growth in general. In other words, a well-trained entrepreneur is supposed to have a successful companies and enterprises relative to less skilled or less educated men.

**Figure 4.2 Distribution of respondents by level of education**



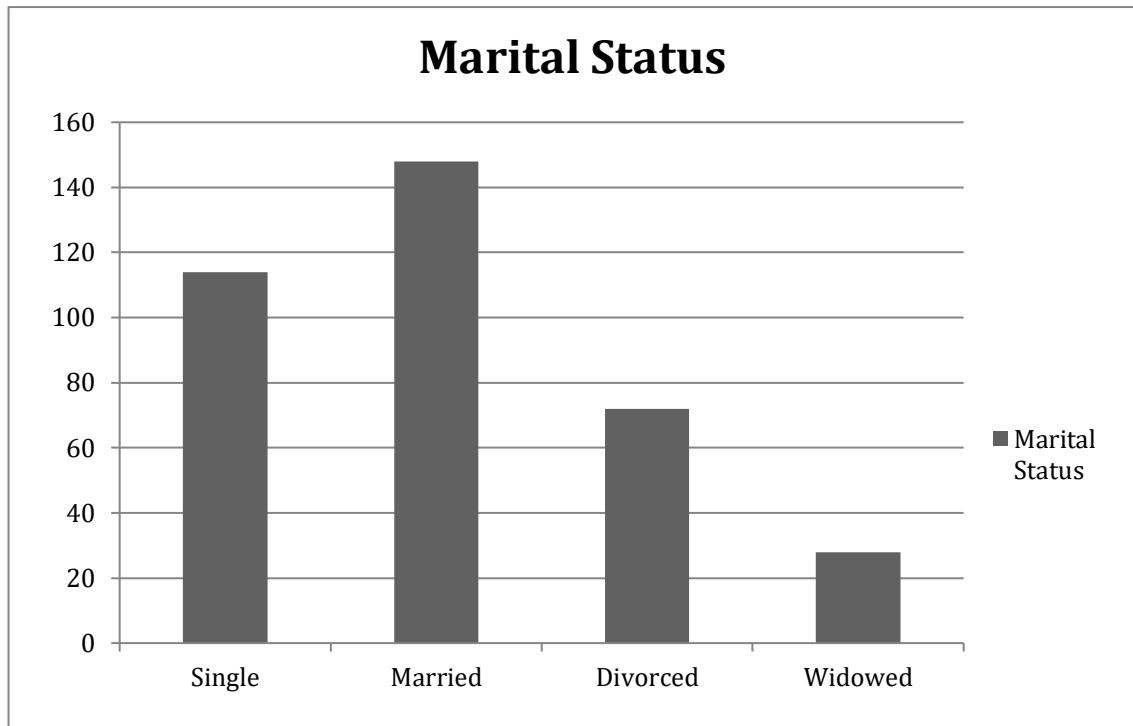
Based on the responses in figure 3 on the distributions of respondents by their level of education, out of the 362 studied respondents, 61 respondents i.e. 16.9% are primary school level holders. Furthermore, 113 studied respondents, equivalent to 31.2% are secondary school educated; on the other hand, 91 of the studied respondents i.e. 25.1% were college level educated (certificates and diploma). Lastly, 97 of the studied respondents that are equivalent 26.8% are university level educated, specifically Bachelor degree holders and above

These findings on the level of education imply that, majority of the women entrepreneurs in Kinondoni municipal are moderately educated. Furthermore, such findings concur with Gitau (2018) who identified that less educated women tend engage more into entrepreneurial activities than the highly educated women.

#### **4.2.3 Marital statuses of the respondents**

The study analysed the distribution of respondents by their marital status as one of the demographic feature of the respondents. This emanates from the fact that, the marital status of individual can have positive or negative effect in the growth of entrepreneurs mostly women. However, marital status in African societies can be an influence of entering into the business world for most entrepreneurs.

**Figure 4.3 Distribution of respondents by marital status**



According to the responses in figure 3.3, out of the 362 studied respondents, majority of them (148) are married respondents that are equivalent to 40.9% of the studied respondents. However, 114 respondents equal to 31.5% were single. On the other hand, 72 of the respondents i.e. 19.9% are divorced while 28 of the respondents that are equivalent to 7.7% are widowed.

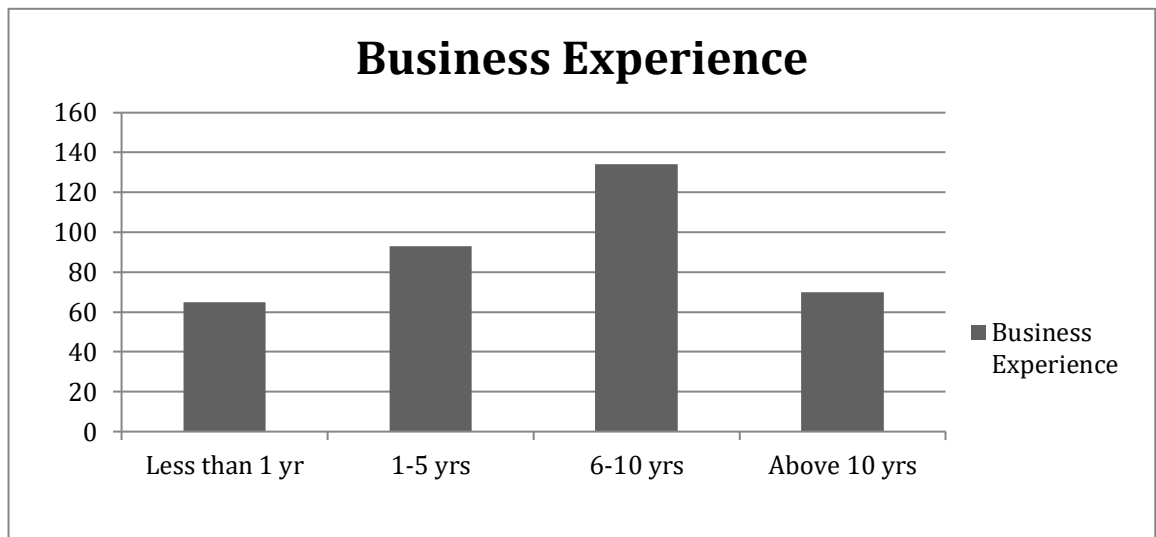
Such findings on the marital status of the studied women entrepreneurs in Kinondoni municipal imply that, majority of the women entrepreneurs within the study area are self-dependent that are mostly the divorced, single and the widowed. As such, these women are dependable to their families hence a push towards entrepreneurship.

#### **4.2.4 Business experience of the respondents**

The descriptive statistics on the respondents by their business experience was assessed in the study as one of the demographic characteristics of the respondents. to the aim is to determine the level of experience among the women entrepreneurs in

Kinondoni municipal. Furthermore, business experience can be a trigger to the growth and expansion of the business.

**Figure 4.4 Distribution of respondents by business experience**



Source: Field data (2020)

Findings on the business experience of the studied respondents reveal that, 65 of the studied respondents that are 17.9% have experienced of less than 1 year in the business sector. Otherwise, 93 of the respondents i.e. 25.7% have experienced in the business sector between 1 year and 5 years. However, majority (134) of the sampled respondents, which are equivalent to 37% have an experience in the business of about 6 to 10 years. Lastly, the elite and more experienced respondents (70) which covers 19.3% of the studied respondents are experienced up to above 10 years in the business sector.

#### **4.2.5 Nature of business of the respondents**

The distribution of respondents by their nature of business was done so as to determine the categories of business that are mostly present in the Kinondoni municipality particularly those under the women entrepreneurs. The demographic distribution of the respondents by their nature of the business was categorized into

broadly 7 categories that are retail shop, beauty and fashion, food and drinks, stationary, mobile money agriculture and livestock and lastly others. Where in others there other series of unique and not very common business activities those altogether are comprised as one i.e. others.

**Table 4.2 Distribution of respondents by the level of education**

Categories	Frequency	Percent
Retail Shop	136	37.6
Beauty and Fashion	25	7
Food and Drinks	103	28.5
Stationary Services	15	4
Mobile money and Banking	42	11.5
Agriculture based business	22	6.2
Others	19	5.3
Total	362	100

The details in table 3.1 above indicate that majority of the women entrepreneurs in the study area are retail shop owners. A total of 199 respondents that are equivalent to 55% of the studied sample were retail shop owners. Furthermore, women entrepreneurs owning beauty and fashion related enterprises were about 25 in particular that is 7%, while 40 of the studied women entrepreneurs' i.e. 11% were owners of food and drinks related enterprises that is mostly restaurants and cheap food vendors. On the other hand, women entrepreneurs owning stationary services constitute 4% that is equivalent to 15 studied respondents. A total of 42 of the studied respondents that are equivalent to 11.5% are women entrepreneurs dealing with mobile money and Sim-banking services. Agriculture and livestock based women entrepreneurs account for about 6.2% and lastly, 19 of studied respondents are categorized as others (5.3%).

### 4.3 Diagnostic test for the validity of data

The diagnostic test was performed to detect the statistical problems present in the analysed data so as to ensure the validity of the data in performing the econometric analysis of the proposed model and to obtain reliable and significant output. These tests include the Heteroscedasticity test, multicollinearity test as well as the model specification test i.e. the Ramsey RESET test.

#### 4.3.1 Heteroscedasticity test

Heteroscedasticity or the core of unequal variance among the studied variables in the study occurs when the key assumption of constant variance or homoscedasticity of the error term is violated. The essence of performing this test is to ensure that within the collected and studied data on these particular study variables have equal variances. Testing of this problem is more elaborated by the Breusch-Pagan test out below.

**Figure 4.5 Heteroscedasticity test on the fitted values of Business outlets**

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of busout

chi2(1)          =      0.83
Prob > chi2     =      0.3614
```

**Figure 4.6 Heteroscedasticity test on the fitted values of Business annual turnover**

```
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of anturn

chi2(1)          =      0.37
Prob > chi2     =      0.5456
```

Drawing from figure 4.5 and figure 4.6, the findings reveal that basing on the Breusch-Pagan test results of the Heteroscedasticity the p-value is significant since they are greater than the required 5% level of significance, which suggests that there is no Heteroscedasticity; hence not rejecting the null hypothesis.

### 4.3.2 Multicollinearity test

A fundamental assumption of multiple linear regression models or any linear based models is that the independent variables in such particular model do not have an exact linear relationship. That is, two or more variables are not correlated or related at all in the model. The VIF test is done to check for any correlation problem between the independent variables. Since presence of correlation among the independent variables might lead to an insignificant output, high R square and higher standard error.

**Figure 4.7 Multicollinearity test output**

Variable	VIF	1/VIF
knowledge	1.10	0.908964
loan	1.10	0.909926
interest	1.00	0.998698
Mean VIF	1.07	

Drawing from Figure 4.7 above, there is no multicollinearity problem among the studied variable data since the average VIF of the model is below 10 and furthermore below 5. This means that the overall model has no any traits of multicollinearity.

### 4.3.3 Model specification test

Model specification test on the multiple linear regression models or any linear based models involves determining and evaluating, in or out of the regression equation; the independent variables should be included. The Ramsey RESET test is done to check

whether the non-linear based combinations of the fitted variable values to help explain the response variables. Since presence of an improper specified model among the independent variables might lead to an insignificant output and false results.

**Figure 4.8 Model specification test output on the fitted values of Business outlets**

```
Ramsey RESET test using powers of the fitted values of busout
Ho: model has no omitted variables
      F(3, 355) =      0.59
      Prob > F =      0.6240
```

Source: Field data (2020)

**Figure 4.9 Model specification test output on the fitted values of Business annual turnover**

```
Ramsey RESET test using powers of the fitted values of anturn
Ho: model has no omitted variables
      F(3, 355) =      0.28
      Prob > F =      0.8424
```

Source: Field data (2020)

Basing on the findings in figure 4.8, the model is rightfully and correctly fitted such that its p-value is range above the 5% level of significance for both models that are business annual turnover and business outlets, specifically at 0.6240 and 0.8424 respectively.

#### **4.4 Econometric model results**

The econometric result of the regression model was categorized into two broad categories to explain the promotion of women entrepreneurial activities into two broad categories that annual turnover which specifically eyed on the women entrepreneurial annual earnings and on the other end business outlets that mainly explain the branches owned by those specific entrepreneurs.

**Table 4.3 ANOVA statement and model fitness table of the business annual turnover among the studied women entrepreneurs.**

Source	SS	df	MS	Number of obs = 362
Model	3.7089e+15	3	1.2363e+15	F( 3, 358) = 135.64
Residual	3.2631e+15	358	9.1148e+12	Prob > F = 0.0000
Total	6.9720e+15	361	1.9313e+13	R-squared = 0.5320
				Adj R-squared = 0.5280
				Root MSE = 3.0e+06

Based on the above ANOVA and model fit table 4.3, the findings portray that, the model meets the desired expectations. Furthermore, the findings portray the number of observations were 362, whereas the F statistics was 135.64 which simply signifies a properly fitted model, furthermore, the p-values of the F statistics also portray significant model since the P-value is below the 5% level of significance specifically at 0.0000. Moreover, the R square was 0.5320 that is 53.2%, which can be, interpreted that

**Table 4.4 Results of the regression model in the contribution of microfinance to the promotion of women entrepreneurial activities through the business annual turnover of women entrepreneurs.**

Variable	Coefficient	Std. Err.	T-Statistic	P-Value
Loan Product (Credit Size)	1.518997	0.08505	17.86	0.000

Interest Rate	-261238.5	51479.03	-5.07	0.000
Knowledge Enhancement (Trainings)	729559.5	336927.1	2.17	0.031
Constant	6723608	853608.2	7.88	0.000

#### 4.4.1 Estimated model:

The below model is the estimated model of the research study

$$B/turnover = 6723608 + 1.518997Loan - 261238.5Interest + 729559.5Training + \varepsilon_i$$

#### 4.4.2 Interpretation of the econometric model:

From the above estimated econometric model, all of the independent or deterministic variables i.e. Loan product (credit size), Interest rate and Knowledge enhancement (training) prove a significant relationship to the dependent variable i.e. Business annual turnover.

Constant; the constant coefficient was 6723608, that is significant at 5% level of significance. This implies that when other factors are held constant for the women entrepreneur, the annual average business turnover for women entrepreneurs among Kinondoni municipal will be Tsh. 6,723,608/=. This finding on the constant coefficient can further mean that, the average annual business turnover of the studied women in Kinondoni is Tsh. 6,723,608/= without the effect of microfinance.

Loan product (credit size): On the variable loan product (credit size), the findings reveal that, at a 5% level of significance, holding other factors constant (without an effect of other factors), as women entrepreneurs take more loan in terms of shillings, the annual business turnover of the women increases by Tsh. 1.518997/= when the loan increases by Tsh 1.

Interest rate: On the variable interest rate, the findings reveal that, at a significance level of 5%, when other factors are held constant, as interest rate increase by 1% the annual business turnover of women entrepreneurs simply falls by Tsh. 261238.5 due the effect the interest rate causes to the loan attainment.

Knowledge enhancement (Training): The variable knowledge enhancement that involves examining whether training of the women by the microfinance has effect to the business annual turnover, indicates that, trained women entrepreneurs i.e. those that underwent for some training before the actual loan provision have an higher annual business turnover than those who have never been trained by the microfinance institutions on management of the loans.

**Table 4.6 ANOVA statement and model fitness table of the business outlets among the studied women entrepreneurs**

Source	SS	df	MS	
Model	42.6226661	3	14.2075554	Number of obs = 362
Residual	177.998881	358	.497203578	F( 3, 358) = 28.57
Total	220.621547	361	.611140019	Prob > F = 0.0000
				R-squared = 0.1932
				Adj R-squared = 0.1864
				Root MSE = .70513

Based on the details in ANOVA and model fit table 4.5, the findings portray that, the model meets the desired expectations. Furthermore, the findings portray the number of observations as 362 whereas the F statistics is 28.57. This signifies a properly fitted model. Furthermore, the p-values of the F statistics also portray significant model since the P-value is below the 5% level of significance

**Table 4.7 Results of the regression model in the contribution of microfinance to the promotion of women entrepreneurial activities through the business outlets among women entrepreneurs**

Variable	Coefficient	Std. Err.	T-Statistic	P-Value
Loan Product (Credit Size)	7.11E-08 (i.e. 0.0000000711)	1.99E-08	3.58	0.000
Interest Rate	-0.00764	0.012023	-0.64	0.525
Knowledge Enhancement (Trainings)	0.55314	0.078692	7.03	0.000
Constant	1.233271	0.199366	6.19	0.000

#### 4.4.3 Estimated model:

The below model is the estimated model of the research study

$$B/outlets = 1.233271 + 0.0000000711Loan - 0.00764Interest + 0.55314Training + \varepsilon_i$$

#### 4.4.4 Interpretation of the econometric model

From the above estimated econometric model, 2 of the independent or deterministic variables i.e. Loan product (credit size) and Knowledge enhancement (training) prove a significant relationship at 5% level of significance to the dependent variable i.e. Business outlets.

Constant: The constant coefficient 1.233271 means that, at 5% level of significance, when other factors are held constant, the women have an average business outlet of 1.233 which can simply be approximated a single (1) business outlet.

Loan product (credit size); on the variable loan product (credit size), findings reveal that when other factors are held constant (i.e. without an effect of the other factors),

the displayed model implies that as women entrepreneurs take more loan by Tsh. 1/= their likeliness to add more business outlets increases by 0.0000000711. This was further significant at 5 % level of significance.

Interest rate: The findings reveal that, when other factors are held constant i.e. without an effect of other factors, as interest rate increase by 1% the likeliness of women entrepreneurs to add more business outlets simply falls by 0.00764 due the effect the interest rate causes to the loan attainment, which automatically causes poor loan attainment. However, this variable was not significant at 5% level of significance, which can further statistically imply that the variable interest rate is not quite essential for the increase in the business outlets.

Knowledge enhancement (Training): With regard to variable knowledge enhancement that simply examined whether training of the women by the microfinance has effect to the increase or growth of business outlets, the findings revealed that, the trained women entrepreneurs are likely to have more business outlets by 0.55314 than the untrained ones towards the management of the loans.

## **CHAPTER FIVE**

### **DISCUSSION OF FINDINGS**

#### **5.0 Introduction**

This chapter presents the discussion of the findings. The chapter specifically elaborates these findings the inter-linkage between the variables. The findings of the current study are then compared to the findings of previous researchers on similar or related research topic.

#### **5.1 Effect of Microfinance loans (credit size) in promoting women entrepreneurial activities.**

The first objective sought to determine the effect of the microfinance loans (credit size) in promoting women entrepreneurial activities. A series of questions were posed to determine such effect. From the findings, microfinance credits and loans (credit size) were found to have a significant impact to the promotion of women entrepreneurial activities. Such effects relate to enhanced business annual turnover and expansion in the business outlets, both significant at a 5% level significance. The study also revealed that, when other influencing factors for the promotion of women entrepreneurial activities are held constant, an additional increase in the loan product (credit size) does yield a relative increase in the amount of the annual business turnover.

The study explored the business outlet that can be used to describe the expansion of the business and the overall growth of the entrepreneur, which in turn proves a promotion of entrepreneurial activities. Findings revealed that, as other factors are held constant, an increase in the loan or credit size acquisition from the microfinance by Tsh. 1, then the business outlets expansion is likely to increase by a very small number. This can further be statistically explained that, when other factors are held constant, an increase in loan by Tsh. 14 million by woman entrepreneur is likely to add an additional business outlet in her line of the entrepreneurial activities. These findings are consistent with studies by Taiwo *et al.*, (2018); Abdi (2019) and

Aladejebi (2019) that were performed to examine the inter-linkage of microfinance and the entrepreneurial activities. All these specified that, loans and credits provided by microfinance institutions have a quite significant impact to the growth; expansion and growth of the entrepreneurial activities among the small, medium and women based enterprises.

## **5.2 Effect of Microfinance interest rate in promoting women entrepreneurial activities**

In order to address the study's second specific objective, a number of questions and statements were presented. The aim was to examine the predicted effect of the microfinance interest rate to the process of promoting women entrepreneurial activities. Based on the findings, the women entrepreneurs usually face an average interest rate of 14.325 from the microfinance institutions they are attached to or where they acquire the loans for running their business. Furthermore, the findings revealed that, the lowest recorded interest rate was 7.5%. The findings also indicated that, majority of the women entrepreneurs with a quite larger enterprises were posed with relatively lower interest rate as compared to the smaller women entrepreneurs. Furthermore, it was noted in the analysis that majority of larger lenders, that is those lending a quite bigger lump sum of loan were faced with a relatively lower interest rate as compared to the those lending a smaller sum of loan. On the other hand, the findings revealed that, the highest recorded interest rate was 20%, and that, such higher interest rates were recorded to the smaller loans and mostly applicable for the smaller enterprises owners and it is charged by smaller microfinance such as those based on the smaller community.

The study found the microfinance interest rates as having a slightly significant impact to the promotion of women entrepreneurial activities on enhancing business annual turnover and expansion in the business outlets. This is significant at a 5% level significance for the business turnover's side and a 10% level of significance and a 1 % level of significance for only the business annual turnover's side (regression model). The study further revealed that, when other influencing factors

are held constant, then as the microfinance lending interest rate rises by 1%, then women entrepreneurs annual business turnover will fall (decrease) by Tsh. 261,239. This is due to the fact that, the lending interest rate by the financial intermediaries tends to affect or influence the overall economy inversely (negatively). Such that as whenever the lending interest rate rises the entrepreneurs are discouraged to borrow from the financial institutions thus making a hardship in the business process and hence a dormancy or a fall in the growth of the entrepreneurial activities. Nevertheless, on the other side, the business outlets which can be used as indicator to explain the development and growth in the business sector and the overall growth of the entrepreneurial activities, findings revealed that women entrepreneurs studied and involved in the microfinance as a tool for empowering their businesses have business outlets ranging from 1 to that is to say, the lowest business outlets held by a woman entrepreneur was 1 while the highest business outlet held by a woman was 4.

Furthermore, the findings revealed that, as other factors are held constant, an increase in the in the interest rate by 1% percent is likely to cause business outlet tends to fall by 0.00764. These findings are similar with the study findings by Yeboah (2017) in Ghanaian small and medium enterprises (Farghly *et al.*, 2018 and Abdi, 2019) and the literature concludes that the lowering of the microfinance lending interest rate will eventually boost and yield a desired growth and expansion of the entrepreneurship which are dependent on the microfinance loans and credits for their survival and expansion.

### **5.3 Influence of knowledge enhancement (trainings) in promoting women entrepreneurial activities**

The study determined the influence of the knowledge enhancement or particularly the training sessions provided by the microfinance to the promotion of women entrepreneurial activities. Questionnaires and interviews were used to elicit the information. The study revealed that, 209 (57.7%) women entrepreneurs were well trained by the microfinance on how to manage the financial resources granted by the microfinance and to handle their entrepreneurial activities. However, 153 (42.3%)

women respondents were not trained on entrepreneurial knowledge by the microfinance, which gave them loans. Majority of the women entrepreneurs illustrated that their passion and experience in the business were highly fundamental for their succession of the entrepreneurial activities. As such, there was no need for them to seek such trainings by the microfinance.

From the findings, the knowledge enhancement (trainings) that are provided by the microfinance to the creditors so as to enhance them with the fairly and required knowledge towards the management of their loans, and other entrepreneurial resources was found statistically significant at 5% level of significance at determining or impacting the promotion of women entrepreneurs through specifically eyeing the women business annual business turnover. This level of significance can further be interpreted as, when other factors i.e. interest rate and loan (credit size) are held constant, the trained or knowledge enhanced women entrepreneurs have an average higher annual business turnover of Tsh. 729,559.5/= than those that are not trained or enhanced with business knowledge and resource management. Furthermore, the findings revealed that the average annual business turnover by those that were not trained or enhanced with knowledge was Tsh. 6,723,608/= which further signifies that the average annual business turnover of those that were trained and enhanced with knowledge was Tsh. 7,453,167.5/= which can further be simply illustrated that were knowledge enhanced and trained have a slight higher annual business turnover as compared to their counterparts. Additionally, on the other hand of the business outlets as indicators of the promotion of women entrepreneurial activities and the overall growth of the business sector, findings revealed that the knowledge enhancement also significant at 5% level of significance, 10% level of significance as well as 1% of significance. Such significance can further be interpreted as when other factors are held constant i.e. Loan (credit size and interest rate), the trained and knowledge enhanced women entrepreneurs are likely to have a higher average business outlet by 0.55 as compared to those that are not trained or enhanced with knowledge. This finding can further be simply illustrated that for

those that are not trained nor knowledge enhanced by the microfinance have an average of 1.233 business outlet, approximately a single business outlet whereas those that are knowledge enhanced and trained are by average having a 1.786 business outlets that is approximately two business outlets on average. These findings on the knowledge enhancement and the role of training by the microfinance to the promotion of women entrepreneurial activities are consistently similar to the studies performed by Moutinho *et al.*, (2016); Muhammad *et al.*, (2019) and Hodges and Link (2018) that were performed to examine the interlinkage of knowledge enhancement and particularly trainings and the performance and expansion entrepreneurial activities. All of which specified that the enhancement of knowledge to the entrepreneurs and more specifically the micro, small and medium entrepreneurs have a quite significant impact to the growth, expansion and growth of the entrepreneurial activities especially for the cases of developing economies including the sub Saharan economies where Tanzania is located.

#### **5.4 Influence of external intervening factors in promoting women entrepreneurial activities**

The study further made an assessment on whether there other external intervening factors that tend to promote the women entrepreneurial activities and encourages their overall growth businesswise. Findings portrayed majority women that these factors can mainly be categorized into four (4) broad categories that are the initial capital imposed, Loan repayment procedures/schedules, business environment and the market availability. Basing on the analysis performed in this study, findings reveal that capital and the business environments are the main external triggers for the growth and promotion of women business activities. Statistically, 72% that is equivalent to 261 respondents specified that presence of an adequate capital in starting and for running the business and proper business environment in the region does highly trigger the growth of the entrepreneurial activities. Furthermore, the respondents specifically signified an adequate capital in the business will define proper and adequate assets which in turn can eventually enhance a sufficient amount

of loan to be acquired from the microfinance. Additionally, the respondents clarified a presence of a good and adequate business environment will easily yield more businesses sales growth and expansion of the business, which then promotes more business activities among the women. On the other hand in the interviewing of the microfinance officials, specifically in the question that aimed at determining the criteria and conditions used in assessing the customers for granting them with the microfinance loans majority specifically specified that in most cases the microfinances will enhance loan products to the well-established and defined business, more specifically those that are registered to the Tanzania Revenue Authority.

Furthermore, findings also portrayed that market availability and the loan repayment procedures and schedules account moderately for promotion of women entrepreneurial activities. Statistically 53% of the women that is equivalent to 192 women entrepreneurs studied specifically indicated that market availability tend to influence the growth of women entrepreneurs and thus promoting their entrepreneurial activities. Lastly, 475 did also specify that proper and friendly loan repayment procedures and schedules tend to contribute the promotion of women entrepreneurial activities, since a proper and a friendly procedure will enhance an easy repayment of the loan and promote more accessing of the loan for an expansion for the business.

Such findings are quite similar to those of Alam *et al.*, (2011); Hassan & Almubarak (2016) and Isa *et al.*, (2016) that specifically specified factors such as market availability, capital, proper and friendly financial assistance in terms of loans and credits from the financial intermediaries as well as the overall business climates together with several number of factor to be the essential factor that contribute to the performance and growth of women entrepreneurship thus promoting the women entrepreneurial activities.

## **5.5 Challenges encountered in accessing loans by the women and faced by the microfinance**

The study finally discovered a number of challenges that tend to face the women entrepreneurs in the development and growth process, as well as the challenges that microfinance face in the provision of loans as well as other microfinance products to their clients.

On the part of the challenges that face the women entrepreneurs particularly on the case of Kinondoni municipal majority suggested, several challenges that were further categorized into 4 major categories. Firstly, the challenge of higher interest rates, which to greater extent highly discourage the women entrepreneurs to access the loans from the commercial banks. Furthermore, the more noticeable microfinance institutions rather than the smaller microfinance institutions mostly pose such higher interest rates. Such challenge has highly lead to most of the women opting for community based microfinances that are controlled by their own communities for the aim of accessing a relatively cheaper loan products as compared to their counterparts. Secondly, with regard to lack of security to loan, the findings have shown that, lack of security by the women entrepreneurs such as movable and immovable assets poses challenge to most women in terms of access to loans from the microfinances. Moreover, too many regulations, criteria and loan conditions as well as the Design of the credit products have been a challenge largely. As such, these conditions and credit products are not suitable and favourable to the women entrepreneurs.

The other challenge relates to financing process for women entrepreneurs and their counterparts. The microfinances face higher competitions from the commercial banks. Limited budget and funds in the circulation, however, results from poor repayment and untimely repayment of the credits by the microfinance clients.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS**

#### **6.0 Introduction**

This chapter provides the summary of findings and discussions, the conclusions and study recommendations made to the government, entrepreneurs, microfinances and general microfinance stakeholders. As such, the chapter further presents policy implications of the findings and suggestion for further studies in line with the topic under current study.

#### **6.1 Summary of findings**

Findings on the contributions of microfinance were assessed in three broad categories; credit size (loan product) provided by the microfinance, interest rate charged by the microfinance and the knowledge enhanced by the microfinance to the women entrepreneurs. The findings revealed that, microfinance credits and loans (credit size) have a significant impact on the promotion of women entrepreneurial activities as they enhance the business annual turnover and an expansion in the business outlets, both with significance 5%, 1% and 10% level of significance respectively. This means that, the microfinance loans tend have a significant impact on the promotion of women entrepreneurs. Furthermore, the microfinance interest rates were found to have a slightly significant impact on the promotion of women entrepreneurial activities as it enhances both the business annual turnover and expansion in the business outlets. It is therefore significant at a 5% level the business turnover side, 10% level of significance and 1% level of significance for business annual turnover side (regression model). Lastly, the findings on the knowledge enhancement (trainings) provided by the microfinance to the creditors have shown a statistically significance at 5% level the promotion of women entrepreneurs annual business turnover indicator. The findings further revealed that, the knowledge enhancement is significant at 5%, 10% and 1% levels. The pattern of findings implies that, the microfinance institutions have a significant impact to the promotion of women entrepreneurial activities.

The study findings have further shown some impacts on other external factors promoting the women entrepreneurial activities. Based on the findings, these include initial capital, Loan repayment procedures/schedules, business environment and the market availability. The study did show that capital and the business environments are the main external triggers for the growth and promotion of women business activities. However, factors such as the loan procedures and repayment schedules have a slightly moderate effect on the promotion of women entrepreneurs.

## **6.2 Conclusion**

The findings of the study demonstrate that the micro credits for women entrepreneurs especially the micro entrepreneurs are crucial in the promotion and growth of women entrepreneurs in the studied area. This in turn benefits families and society as a whole. In respect of the microfinance loans and their influences in some of the businesspersons, it is very vital to emphasize the improvements of the microfinance services in terms of regulation and conditions as well as self-confidence among women to enhance their entrepreneurial development. In this respect, the study has also shown that, higher interest rates have highly depreciated women attempts to access the finances from the microfinances.

Based on the findings, the study provides a conclusion that, the promotion and growth of women entrepreneurs in Kinondoni municipality is to a certain extent influenced by the microfinance services to those women who are involved with the microfinance services. The results suggest a relevant relationship between the microfinance services (credit size, interest rate and knowledge enhancement and promotion) and women participation in entrepreneurial activities

The study further established a strong influence of access to micro loans and knowledge enhancement from the microfinance on growth of women entrepreneurial activities and promotion of women entrepreneurial activities. The access to the microfinance loans (micro credits) has the highest association with the growth of women business enterprises on the business annual turnover. Similarly, the study

noted an association between interest rate changed on the loans with the growth of women entrepreneurial activities though it was lower.

The study therefore concludes that, microfinance services to women entrepreneurs are not the only factors that gear or stir up the growth and promotion of women entrepreneurial activities. However, they also play a catalyst role in many other several factors to promote women entrepreneurial activities.

### **6.3 Policy Implication**

The findings of this study register some implications on the microfinance operations, overall microfinance policies. The study acknowledges the fact that, microfinance institutions and their services have significant influence to the empowerment and growth of the women entrepreneurs. Policymakers under the ministry of finance are likely to benefit from the results and are likely to render policies relating to the advancement of microfinance and its position to women entrepreneurship and businesses. The government should be able to play its role in funding such microfinance institutions, enabling more and more microfinance facilities to fund and promote the development of woman businesses by financing through various institutions and the repayment of what they have earned from a similar institution.

### **6.4 Recommendations**

The study therefore recommends a series of suggestions to the government, the microfinance and the microfinance stakeholders especially women entrepreneurs who are the focus of this particular study.

On the microfinance institutions and the service providers, the study revealed that, the interest rate charged by the microfinance are quite high for most of the interested entrepreneurs to manage. Therefore, the study recommends that, microfinance based institutions and such service providers should implement quite lower and affordable interest rates that should reach as many women entrepreneurs as possible. Moreover, on the knowledge enhancement such as trainings in particular, the study observed

that, majority of women was not trained at all. The trained ones confessed to be missing some skills. Thus, the microfinances should ensure a sufficient training especially on the financial resources management and the entrepreneurship development topics.

Furthermore, on women entrepreneurs, the study revealed that, majority of women is not well knowledgeable on the entrepreneurship. Thus, institutions of higher education should support entrepreneurial skills and business management knowledge to women entrepreneur groups. Business skills and business management knowledge are important to make business a success. On the other side, the women entrepreneurs should take initiative to educate themselves on the entrepreneurship for their growth and success.

The study recommends for and encourages women entrepreneurs to attend the open trainings as well as entrepreneurial-based seminars to acquaint themselves with knowledge on entrepreneurship and be aware of the frequently available opportunities in the entrepreneurial or business ground. Moreover, in order to reflect demands in microfinance market, microfinance institutions and such related service providers need to also revise their policies on maximum limits loans to micro-enterprises and new entrepreneurs. As such, women entrepreneurs should not be optimistic that they will obtain sufficient funding from the microfinance.

Lastly, to the government as the major stakeholder to both the microfinance and to the entrepreneurship sector; the government should provide essential support to the women entrepreneurs and the microfinance institutions. To the microfinance, the government should also strictly coordinate and control the rate of the interest rates to ensure that the micro loans by the microfinance services providers are cheap that women entrepreneurs afford. To the women entrepreneurs, the study does recommend a need for some reforms in coordination among women entrepreneurs by networking them across various regions. Furthermore, the government should create

several programs that will develop women knowledge capacity on the entrepreneurship and their business environment.

### **6.5 Suggestion for further study**

It emerged from this study that, the microfinance and especially the services they provide are quite crucial for the promotion of women entrepreneurs, particularly in the study area. Furthermore, several other factors were found to trigger the growth and expansion of women based entrepreneurial activities. Therefore, similar studies in the field of microfinance should focus the whole country as majority of studies have focused in the Dar es Salaam. Further studies should examine how micro-enterprises, low entrepreneurial and management skills will tackle inadequate resources. In addition, future studies should look at the impact on micro entrepreneurs who rely on their goods locally on fashion changes and shortages of products and poor quality products. Lastly, the study also recommends further studies on the assessment of the underperformance of women entrepreneurs. Researches can also be done on factors influencing the effectiveness of the microfinance on growth of women entrepreneurs and their welfare.

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## APPENDICES

### Appendix 1: QUESTIONNAIRE

Dear respondent,

My name is Catherine Audax Mutagwa, a Masters student pursuing Masters of Science in Applied Economics and Business offered at Mzumbe University Dar es Salaam Campus College, Tanzania. I am here to undertake a research on the assessment of the contributions of microfinance in promoting women entrepreneurial activities, a case study of Kinondoni Municipal.

Below is a set of questions seeking your answers and I am hereby kindly requesting you to answer the following questions carefully. Kindly note that the questionnaire is designed to gather information for academic purpose only and information given will be treated with confidentiality.

Kindly give answers in the spaces provided by either ticking (√) in the brackets provided or writing in the space provided.

1. Age \_\_\_\_\_ years
2. What is your highest level of education\_\_\_\_\_?
3. What is your marital status?
  - Single ( )
  - Married ( )
  - Separated ( )
  - Widowed ( )
  - In a relationship( )

4. What is the nature of your enterprise/business?

\_\_\_\_\_. *E.g. Food & drinks business, saloon, shops.*

5. How long have you been engaged in this business?

- Less than 1 year(      )
- Between 1-5years      (      )
- Between 6-10 years      (      )
- Between 11-15 years      (      )
- More than 15 years      (      )

6. What was the initial capital injected to the business?

\_\_\_\_\_

7. For how long have you been a microfinance client?

- Less than 1 year(      )
- Between 1-5years(      )
- Between 6-10 years(      )
- Between 11-15 years(      )

8. What is actual amount of loan secured from the microfinance? \_\_\_\_\_

\_\_\_\_\_

9. What is the interest rate charged on that specific amount of loan?

\_\_\_\_\_

10. What is the repayment schedule of that specific loan?

\_\_\_\_\_ (Time e.g. daily, weekly, monthly yearly)

11. What are/were the challenges encountered in securing the loan?

\_\_\_\_\_

\_\_\_\_\_

12. Is/was the amount loan obtained sufficient to meet your business need?

- Yes      (      )
- No      (      )
-

13. If No (In question 9), Please explain

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14. Are there any trainings (Knowledge enhancement) provided by the microfinance

- **Yes** ( )
- **No** ( )

15. If Yes (In question 13), Please explain how

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16. Please give your assessment of the overall growth of your business since joining VICOBA using the response scale of 1-5 where 1- Very low 2 - Low, 3 – moderate, 4 – High and 5 – Very high

Growth factor	1	2	3	4	5
Increased business outlets					
Increase in profit					
Increased turnover					
Increase in number of stock					

17. How many business outlets do your business possess?

\_\_\_\_\_

18. What is your annual estimated turnover? \_\_\_\_\_

19. What is your estimated daily sale on your business (in Tsh.)?

\_\_\_\_\_

20. Apart from the microfinance factors, what other factor tend to promote the development of women entrepreneurial activities?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

21. Has your business grown since joining microfinance services?

- Yes ( )
- No ( )

22. Any other comments, on the contribution of microfinance on women empowerment

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **Appendix 2: INTERVIEW GUIDE**

1. What financial services do you provide in your institutions?
2. What is the dominant gender in accessing the financial services in your institution?
3. What type of conditions and criteria are used to screen the customers?
4. What is the highest possible amount of loan to be assessed by your institution?
5. What are the repayment conditions and criteria used from clients?
6. Does your institution provide trainings to entrepreneurs?
7. What are other exceptional services rendered to women entrepreneurs?
8. What are the challenges that the institution does encounter in providing the financial services especially the women entrepreneurs?
9. What percent of loan interest rate do you charge on entrepreneurs?