

**THE IMPACT OF VILLAGE SAVING AND LENDING ASSOCIATIONS  
STRATEGIES TO WOMEN ECONOMIC EMPOWERMENT IN  
TANZANIA: A CASE OF CHANIKA WARD**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN  
MONITORING AND EVALUATION (MAME)  
DEPARTMENT OF ECONOMICS AND COMMUNITY ECONOMIC  
DEVELOPMENT  
OF THE OPEN UNIVERSITY OF TANZANIA**

**2023**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania a dissertation titled; **“The Impact of Village Savings and Lending Associations Strategies to Women Economic Empowerment in Tanzania: A Case of Chanika Ward”** in partial fulfilment of the requirements for the award of the degree of Master of Monitoring and Evaluation (MAME).

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Dr. Emmanuel Mallya  
(Supervisor)

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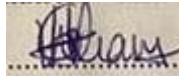
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**DECLARATION**

I, **Hellenglad William**, do hereby declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirement for the Degree of Master of Monitoring and evaluation (MAME).



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Signature

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**DEDICATION**

This piece of work is dedicated to my beloved late father Dr. William Manase Makange who was called to glory in the Lord on 06.05.2020, and both of my families for their kind support.

## **ACKNOWLEDGEMENT**

First and foremost, I express my sincere gratitude to the almighty God for his grace and blessings that made the successful completion of this dissertation and hence my master's degree possible. Secondly, I express my sincere gratitude to my supervisor Dr. Emmanuel Mallya for his professional guidance and constructive ideas that enabled me to successfully complete this study.

Thirdly, to my late Father Dr. Willian Manase Makange (RIEP) who challenged me to pursue this programme, my ever-supportive mother Josephine William Makange, my husband Isack Salum Komanya, my siblings Naki, Rebecca and Manase and family friend Joseph for their encouragement and support.

I also express sincere gratitude to my employer SOS CHILDREN'S VILLAGES under the able leadership of Mr. David Mulongo for their sponsorship, moral support and for providing conducive environment that led to the successful completion of this study and my masters' degree.

## ABSTRACT

The study was carried out to assess the impact of Village Savings and Lending Associations (VSLAs) strategies to the economic empowerment of women in rural communities in Tanzania, a case study of Chanika Ward. The specific objectives were; to assess the effect of loan procedures strategies set up by VSLAs to the economic empowerment of women in rural communities, to assess the effect of loan conditions strategies set up by VSLAs to the economic empowerment of women in rural communities and to assess the effect of loan size strategies set up by VSLAs to the economic empowerment of women in rural communities. The study used cross sectional research design as the research design while on the other hand simple random and purposive sampling strategies were used to select 101 respondents. Data were analysed using descriptive analysis with the aid of Ms-Excel and qualitative data for content analysis. The study found that loan procedures established by VSLAs have favourable effect on the economic empowerment as these enable many unbanked rural women to access loans with ease. The study found that loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets found to have effect on the economic empowerment as through them, women were capable to access loans. The study concludes that loan procedures strategies, loan conditions strategies and loan size strategies affect economic empowerment of women in rural areas. The study recommends that there is a need for VSLAs to maintain and continuously improve the loan procedures, conditions and size in order to continue sustaining and empowering women in rural areas which largely lack access to formal banking.

**Keywords:** *Village Community Bank, Village Savings and Lending Associations, Women Economic Empowerment.*

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**LIST OF ABBREVIATIONS**

ASCA	Accumulating Savings and Credit Association
CAB	Community Agribusiness
CBOs	Community-Based Organizations
MFIs	Microfinance Institutions
SACCOs	Saving and Credit Cooperative Societies
VICOBA	Village Community Bank
VSLAs	Village Savings and Loan Associations

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Problem**

Today's development agenda across the world puts strong emphasis on women as drivers of economic growth and is widely revisited to eliminate gender neutrality and discrimination in all spheres. It incorporates the concept of women's economic empowerment, borrowed from participatory discourse, to promote and measure the new goals of sustainable development (Syzova, 2017). Women's economic empowerment is "the capacity of women to participate in, contribute to and benefit from the development process" (OECD, 2016).

Economic activities like business, trade, man craft and other production activities always require capital to be invested while the source of capital differ from one person to another also from one business to another in most of African women. Other activities are financed by the owners themselves, others by family members and other activities through loans and so on (Ollotu, 2017). When it comes to financing economic activities through loans particularly from commercial banks, number of challenges emerged are women which finally may make other people isolated from obtaining the loans.

Challenges face women in most African countries such as South Africa, Zimbabwe, Ghana, Nigeria, Kenya, Uganda etc from obtaining loans from financial intermediaries particularly commercial banks are lack of collaterals, improper business record keeping and immature business (Thomas, 02019. Regardless the pace the undertaker of economic activity want to move, insufficiency of funds may

limit the growth therefore it deemed necessary for other sources different from traditional commercial banks to step in to provide finance to the neglected ones. Village Savings and Loan Associations (VSLAs), has been serving as an alternative source to traditional commercial banks to empower women economically (Brannen & Sheehan-Connor, 2016).

Due to the model's ability to support an independent and self-managing approach to saving and borrowing, VSLAs have shown to be effective in assisting women who live in suburban and rural areas to overcome the challenges they face. As a result, it can reach rural women and the extremely poor more effectively than official, centralized microfinance institutions (Nyamweya, Ndungutse & Ngarambe, 2020; Musunguzi, 2016). For instance, trainings offered by NGOs like CARE International helped implement the VSLAs intervention in Uganda, which was an upgrade above conventional savings clubs like Rotational Savings and Credit Associations. Participation of rural households in savings programs In order to contribute to the discussion of empowering the vulnerable in an effort to reduce the problem of poverty, this policy issue needed to be carefully examined and analyzed (Kohansal, 2018).

For the case of Tanzania, Kessy, *et al.*, (2016) argue that VSLAs serve the majority of the poor in Tanzania who are not served by formal financial institutions to empower them economically. VSLAs also strengthen the management of scarce financial resources and risks. SEDIT (2008) proposed VSLAs as a tool for poverty alleviation in Tanzania. A number of efforts have been made to empower women economically in Tanzania. On the other hand, Mushi (2021) stipulate that, one of



these efforts include introducing various regulations and policies that support women to have equal access in socio-economic aspects in Tanzania, accessibility of credits as well as provision of training programs to the women to build their capacities.

Chanika ward is one of the wards with more than 1000 registered VSLAs across the wards with the aim of enabling women to access loan and promote women participation in economic activities and hence family economic development. From that point of view, Magali (2021) finds that the lives of female borrowers who get loans from VSLAs are significantly improved, including their social position, self-esteem, and confidence. A rise in income and the opportunity to save money, buy household items, and contribute to children's education also give women a sense of empowerment.

The VSLA model offers an approach to reducing poverty to those who are economically disadvantaged, primarily women, and encourages them to incorporate saving and loan-taking strategies into their daily life. Various strategies have been set up to empower women economically as indicated by Mushi (2021) which are effective loan procedures, friendly loan conditions, favourable loan size and provision of trainings. However, it is not clear whether these strategies could have an impact on women economic empowerment at Chanika ward. It is in this context, this study seeks to assess the impact of VSLAs strategies to the economic empowerment of Chanika ward women.

## **1.2 Statement of the Problem**

Despite that VSLAs have empowered economically, a number of women across the

country in Tanzania such as Community Agribusiness (CAB) in Kilolo and Iringa district councils, whereas in Arusha more than 700,000 members in 28,000 VSLAs have benefited with VSLAs, loans from VSLAs, but it is not clear whether VSLAs strategies such as effective loan procedures, friendly loan conditions, favourable loan size and provision of trainings contributed to the women economic empowerment. However, it is also not clear whether VSLAs strategies could have such impact to the women of Chanika ward as there is little academic evidence to support that. In that regard, the overall research problem the study sought to address is the extent to which VSLAs strategies have an impact to the economic status of women of Chanika ward.

### **1.3 Objectives of the Study**

#### **1.3.1 Main Objective**

The main objective of the study was to assess the relationship between VSLAs strategies to the economic empowerment of Chanika ward women.

#### **1.3.2 Specific Objectives**

- i. To assess the effect of loan procedures strategies set up by VSLAs to the economic empowerment
- ii. To assess the effect of loan conditions strategies set up by VSLAs to the economic empowerment
- iii. To assess the effect of loan size strategies set up by VSLAs to the economic empowerment

### **1.4 Research Questions**

- i. What is the effect of loan procedures strategies set up by VSLAs to the

economic empowerment?

- ii. What is the effect of loan conditions strategies set up by VSLAs to the economic empowerment?
- iii. What is the effect of loan size strategies set up by VSLAs to the economic empowerment?

### **1.5 Significance of the Study**

The current research is considered significant since it will be useful for informal savings plans generally. Additionally, it will provide information based on local savings infrastructure. It will include more details on the kind of policy concerns that may be used to include the informal sector for greater economic growth and development as well as how household income can be improved, especially the livelihoods of women.

In actuality, the study will assist women in comprehending how village savings promote their empowerment and enable them to benefit from village savings programs to advance economically, socially, and politically. The study will be constructed with the knowledge that women's economic empowerment creates opportunities for a better living to be achieved at the national, local, or household levels. The study's findings will motivate government and non-government entities to fund VSLA programs to advance women's advancement.

### **1.6 Scope of the Study**

The current research sought to make an assessment concerning the impact of VSLAs strategies to the economic empowerment of women in Chanika ward. The study was

restricted to women VSLAs found at Chanika ward. The researcher conducted the study on this area as area of interest due to the presence of many beneficiaries of VICOBA (550 beneficiaries from 17 registered VICOBA) so it was easy to conduct a study in this area basing on the nature of the study so the respondents are expected to be aware on the topic of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Chapter Overview**

This chapter presents literature review of the study based on the impact of VICOBA to the economic empowerment of women. It involves definition of key terms, theoretical literature review followed by empirical literature review as well as the research gap.

#### **2.2 Conceptual Definition**

##### **2.2.1 Village Community Bank**

Various scholars have defined the word Village Community Bank (VICOBA) in different perspectives. For example, Piprek *et al*, (2015) defines Village Community Banks (VICOBA) as a grassroots group-based microfinance model for the poor, especially women excluded from the formal sector. The model facilitates access to savings and credit services, providing members with the resources needed to improve their health and social welfare. The model also fosters clients' capacity to innovate and manage viable income-generating activities. VICOBA stands for Village Community Bank by definition.

VICOBA is defined as the informal providers of financial services that are neither legally recognized nor controlled by any agency; it offers deposits, credit and microinsurance. It is a member-owned and controlled by members themselves who perceive its rural roots in part and its financial existence operation in another part (URT, 2018). According to Microfinance Act, 2018, the word Bank means the Bank of Tanzania. Contrarily, Lushakuzi, Killagane, and Lwayu (2017) define VICOBA

as a type of microfinance small group that works with the community's low-income earners to encourage saving and provide access to banks and MFIs. Although all above definitions consider VICOBA in different views, but have common concept which is to provide financial assistance to the members who have no any other alternative means to access credit facilities. According to this research, VICOBA is a nonprofit that targets low-income community members to promote saving and give them access to microloans for the growth of small businesses.

### **2.2.2 Village Savings and Lending Associations (VSLAs)**

A group of 15 to 30 persons who save money collectively and borrow money from those savings is known as VSLA. Every meeting, members buy one to five shares to save money. Members also contribute to a social fund, which is used to provide small grants to other members in need for things like funerals and transportation to hospitals (Agaba, 2019). In contrast, Village Savings and Loans Associations (VSLA) are an informal financial sector made up of self-mobilized and self-administered individuals or community groups that mobilize their savings at predetermined intervals and make them available and accessible to their members in the form of credit. This is according to Ashe (2002), as cited by Augustus (2009).

In a similar vein, Jain (2016) defined village savings and loans as community-based organizations (CBOs) that bring people together to save money so they can eventually borrow. Members of VSL are given short-term loans that typically last between one and three months and which they must repay with interest. VSL can be time-bound, which means that at the conclusion of a specified period of time (usually a year), the borrowed money are divided among the group members for

their individual use. According to Brannen & Sheehan-Connor (2016), Village Savings and Loan Associations (VSLAs) are unofficial borrowing and saving mechanisms that don't need continued administrative or financial assistance from founding organizations. As provided above, several definitions have been reviewed, nevertheless, according to this study, VSLAs are time-bound accumulating savings and credit associations (ASCAs), in which 15 to 30 persons routinely save money and take out loans from a pool of funds. Loans often have maturities of one to three months and need interest to be paid back.

### **2.2.3 Women Economic Empowerment**

Women's economic empowerment refers to their ability to participate in and gain from economic activity on terms that appreciate their contributions, uphold their dignity, and allow them to negotiate a more equitable distribution of rewards. It also entails altering institutions and customs that prevent women from participating economically, such as perceptions about child care or the kinds of jobs that women can hold (Assefie, 2018). Nyanda (2015), on the other hand, defines women's economic empowerment as their capacity to participate equally in the markets that already exist, their access to and control over productive resources, their ability to find decent employment, their ability to manage their own time, lives, and bodies, as well as their increased voice, agency, and meaningful participation in economic decision-making at all levels, from the family to international institutions.

For the purpose of this study, women empowerment is defined as a process by which women expands their ability to succeed and advance economically. In that regard, it is the capacity of women to participate in, contribute to and benefit from the

development process.

## **2.3 Theoretical Literature Review**

### **2.3.1 Related Theories**

#### **2.3.1.1 Feminist Theory**

Feminist theory was first emerged in 1974 in Western countries with different feminists such as Mary Wollstonecraft and Nancy Cott. The feminist school of thought holds that empowerment encompasses both the micro and the macro levels (Muro, 2014). The empowerment process is one of growing access to and control over resources, including credits, and moving from a position of powerlessness for the individual (the micro level). Although community empowerment (at the macro level) is a collaborative social process for building a community, gaining better control over the environment, and engaging groups, organizations, or communities in decision-making (Muro, 2014).

Credit programs are said to have an impact on women's lifestyles by helping women realize their potential and overcome their social impotence (Muro, 2014; MCDWAC, 2015). This entails improving women's management and agricultural production capacities in the informal sector, developing entrepreneurial skills to increase their initiatives to start up employment on their own, having access to credit and training, technical skills, factors and means of production, and marketing skills (MCDWAC, 2015).

There have been a number of criticisms of feminist theory notwithstanding its presumptions. Casper (2014) has questioned the notion for making the partially false



assumption that women's access to credit results in their empowerment. He made the case that social issues are interfering with the idea and that a growing number of women who have access to credit also have many social issues, meaning that the credit does not empower them. This may suggest that the one-to-one relationship between financial access and women's empowerment assumed by feminist theory is not necessarily true. Some women who have access to credit experience powerlessness as a result of the reality that empowerment is a result of more than just credit.

The current theory which is feminist theory is linked with the current study in terms of dependent variable which is women economic empowerment. This theory lays a foundation on how women can be empowered in various aspects such as social empowerment, political empowerment and economic empowerment. However, the study emphasis is based on economic empowerment.

### **2.3.1.2 Village Savings and Loans Association Model**

Village Savings and Loans Association model was initiated in 1991 by Mata Masa Dubara. According to Daley (2010), the Village Savings and Loans Association model is a microfinance strategy whose goal is to offer low-income clients, who typically lack access to more formal banking services, financial services such as loans, savings, and insurance. The key to VSLA's strength and effectiveness is its capacity to enable individuals to break free from the economic cycle of poverty while avoiding dependency and the stigma associated with conditional aid's "hand out" behaviour. According to a 2015 FAO assessment on women's empowerment, by ensuring equal access to resources and opportunities, closing the gender gap in

economic empowerment or increasing women's participation in increased income, asset acquisition, and decision-making could reduce the level of poverty in the world by 12 to 17%, or by 100 to 150 million people. In order to boost their economic production and secure their basic human rights, women need greater access to financial services, labor markets, and the freedom to own land and property (Daley, 2017). In the similar case, this theory is found to be relevant in this study as it establishes the essence of VSLAs as why VSLAs and how VSLAs can be used to empower women economically. From that point of view, it can be said that, this theory also lays a foundation of the essence of VSLAs to the women.

## **2.4 Empirical Literature Review**

### **2.4.1 The Effect of Loan Procedures Strategies set up by VSLAs to the Economic Empowerment**

The study by Obeng (2015) assessed on how microcredit has an impact on reduction of poverty. The research was carried out in Jaman North District. On research methodology, case study design was applied whereas data collection methods were questionnaires and interview. The analysis of data was done using descriptive analysis with the aid of Ms-Excel. The study found that there was an accessibility of credit to the vulnerable and marginalized people as the result of favourable loan procedures designed by microcredit institutions and thus led to the positive effect on the poverty reduction among the beneficiaries.

Meanwhile Maturo (2015) assessed on the microfinance and alleviation of poverty in Uganda. The findings showed that all the female clients who had access to microcredit institutions due to the conducive loan processes were reported an

increase in their incomes that improved their living standards, sent their children to school; were able to pay for their medical bills and feed their families, were able to cope with future crises using their savings, women were economically empowered and this was due to flexibility loan procedures in vulnerability.

Maina (2017) carried out research by analyzing on how microfinance has an impact on the income of household and measuring household vulnerability to poverty after making an accessibility of credit to microfinance institutions. The research was carried out at the district of Makueni. It was unveiled that microfinance has significant influence and impact on the income of household. In addition to that, there was an improvement of the income of household and this was due to the fact that there were no strongest procedures.

#### **2.4.2 The Effect of Loan Conditions Strategies set up by VSLAs to the Economic Empowerment**

Agaba (2018) investigated Loan Conditionalities and Accessibility in Microfinance Institutions in Uganda: A Case of Pride Microfinance Ltd. Both qualitative and quantitative research methods were applied in a descriptive study design. Purposive and straightforward random sampling approaches were employed. According to the study, the microfinance institution can be confident in these borrowers' willingness and ability to repay the borrowed funds if they have adequate security and a guarantee for the credit. The implication is that the majority of retail businesses face numerous difficulties and close within a few months of opening. Credit officers also have difficulty locating the owners of these businesses, which are occasionally used as security for loans. However, the purpose of the loan can be mitigated as a way to

prevent the misuse of money provided by microfinance institutions.

The effectiveness of Village Community Banks VICOBA in enhancing household welfare in the Kigamboni District was evaluated by Muya (2018). About 85 respondents were used as a sample in the study. It was discovered that the majority of Tanzania's poor people had only a restricted number of options for formal financial institutions such banks and Savings and Credit Cooperative Societies (SACCOS). This is because the lack of movable collateral, like as land and homes, causes financial institutions to view the poor as being unbankable. These underprivileged individuals create their own organizations known as Village Community Banks (VICOBA). VICOBA's primary goal is to satisfy group members' demands for loans to start or expand their companies and, ultimately, to improve the welfare of their families.

Haji (2015) assessed on how MFIs contribute to the reduction of poverty. The research was conducted in Zanzibar. The research involved 50 respondents whereas data collection method was questionnaire. Data were analyzed quantitatively Findings indicated that the contributions made by MFIs to SMEs in Zanzibar were not sufficient and also there was a short period of time for the loan beneficiaries to start repaying the loan.

Olotu (2017) evaluated VICOBA's contribution to the economic advancement and standard of living of women in Tanzania. The 59 respondents were included in the study, which had a cross-sectional design. Questionnaires were used to gather primary data. The Statistical Package for Social Sciences was used to analyze the

quantitative data (SPSS). According to the study, the majority of the roughly half of respondents joined VICOBA in order to obtain cash for their businesses and later savings. This is due to the fairness of the loan terms set up by VICOBA, which makes it possible for most individuals to join.

A sizable percentage of responders favor accessibility and join VICOBA to enhance life. According to the study's findings, half of the respondents claimed that VICOBA had assisted them in starting and operating a small business in their community. In addition, they claimed to have been able to pay their children's school expenses and improve their standard of living by renovating their homes and purchasing land. Statistics showed that members' savings, profits, and fines from contract violations were all used to accrue funds for borrowing. In Rwanda, Bamwesigye (2018) evaluated microfinance and efforts to reduce poverty. Results showed that microfinance outreach is widespread and has a favorable influence on the poor, but only those who are near the poverty line were able to be reached through MFI because of the affordable and flexible loan terms.

#### **2.4.3 The Effect of Loan Size Strategies set up by VSLAs to the Economic Empowerment**

Salum (2017) examined how Village Community Banks (VICOBA) impacted the district's livelihood outcomes (income, food security, and housing quality). In six villages with VICOBA groups, wards, villages, Focus Group Discussants (FGDs), key informants, and respondents were chosen using a cross-sectional research methodology and probability and non-probability sampling techniques. There were 200 VICOBA members in the sample. A questionnaire-based survey, key informant

interviews, and focus group discussions were utilized to collect the data. The survey data were analyzed using IBM SPSS Statistics Version 20. Descriptive analysis was performed, and multiple linear regressions were utilized to examine the impact of services provided by VICOBA on members' livelihood outcomes. The average loan size for every VICOBA member, according to the findings, was TZS 651,768. The least and maximum loan sizes were both zero and TZS 7,500,000, respectively. Each VICOBA member earned an average of TZS 200,529; the least and maximum incomes were TZS 30,00 and TZS 1,000,000, respectively.

The contribution of VICOBA and members' business sustainability at Kunduchi Ward was examined by Lushakuzi (2017). It concentrated on the ten (10) Kunduchi-based VICOBA groupings' company owners. The analysis discovered that the current loan size coefficient was favorable and statistically significant at the 10% level. According to the marginal effects analysis, loan size increases household welfare by 83%. A positive coefficient suggests a direct connection between the magnitude of the loan and household welfare. This implies that VICOBA members who can obtain large loans are better positioned to improve their welfare than those who can only get small loans.

## **2.5 Research Gap**

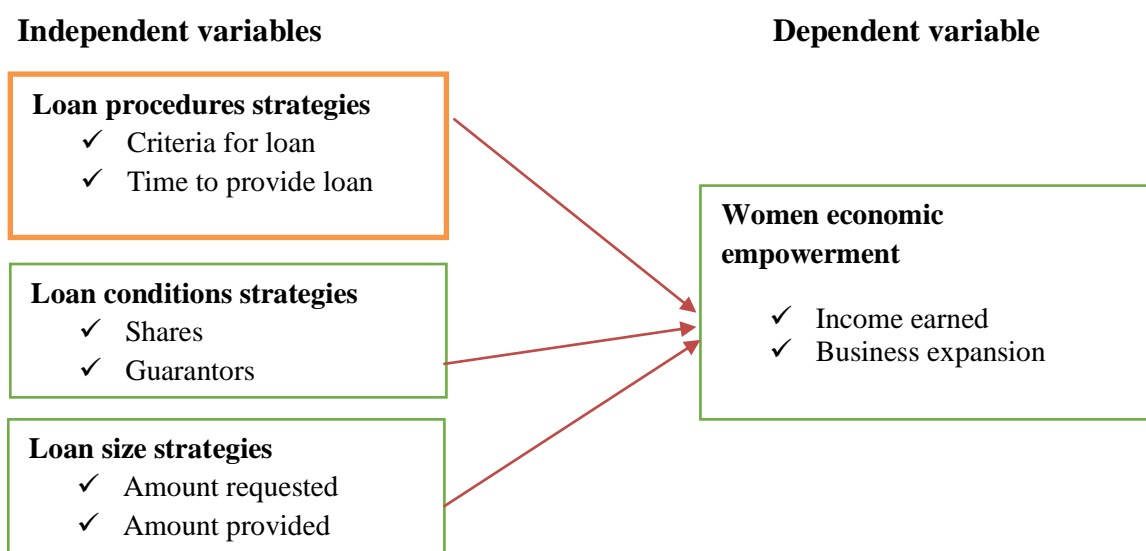
There is no doubt that several studies have been conducted on the issues related to the impact of VICOBA to the economic empowerment. However, most of these studies did not incorporate all suggested variables of this study such as loan procedures strategies, loan conditions and loan size strategies. For example, Obeng (2015) assessed on how microcredit has an impact on reduction of poverty, the study

looked at the loan procedures only and no other variables such as loan conditions and loan size.

Agaba (2018) investigated Loan Conditionalities and Accessibility in Microfinance Institutions in Uganda. The study focused on loan conditions and no loan procedures or size. In the similar case, Salum (2017) determined the influence of Village Community Banks (VICOBA) on livelihood outcomes (income, food security and housing quality) in the district. The study however focused on loan size and no loan conditions or loan procedures. Therefore, it is in this context, this study incorporated all studied strategies by assessing the impact of VSLAs strategies to the economic empowerment of Chanika ward women.

## 2.6 Conceptual Framework

Figure 2.1 indicates the impact of VISLAs strategies to the women economic empowerment.



**Figure 2.1: Conceptual Framework**

**Source:** Research Own Construction, (2022)

Independent and dependent variables served as the guiding principles for this study's conceptual framework. The conceptual framework is crucial to this study since it demonstrates the correlation between the independent and dependent variables. For that case, there are two variables which are independent variables and dependent variable. The independent variables are loan procedures strategies, loan conditions strategies and loan size strategies while dependent variable is women economic empowerment.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Overview**

This chapter deals with research methodology which includes research strategies, research approach, study population, study area, sample size and sampling strategies, data collection methods, data validity and data reliability, data analysis methods and ethical consideration.

#### **3.2 Research Strategies**

Research design is a master plan of a research that gives light on how research is to be conducted (Cohen *et al*, 2013). Cross-sectional design was used. This is a type of research design in which researcher collected data from many different individuals at a single point in time (Collis & Hussey, 2013). The reason for opting this design is based on the fact that cross-sectional studies are also unique because researcher is able to look at numerous characteristics at once.

#### **3.3 Research Approach**

The study used mixed approach namely qualitative approach and quantitative approach and when they are combined, they are called mixed research approach. This method is relevant in this study because of the triangulation of data that entails the use of more than one method of data collection such as questionnaire and interview (Kumar, 2017). In other words, a hybrid approach was utilized in the study to evaluate how VSLAs affected the economic empowerment of Chanika ward women. The ability of triangulation, or using many ways to examine the same phenomenon, was the justification for choosing a mixed research methodology over

other alternatives. In other words, it may be claimed that a mixed research technique makes it simple to obtain comprehensive knowledge and insight into the issue at hand. According to mixed research design, the topic was thoroughly covered (Cooper, & Schindler, 2014).

### **3.4 Study Population**

For research purposes, the population is the entire set of persons that have at least one common characteristic of the interest to the researcher. The researcher targeted VSLA members as the study population who are located in Chanika ward. A total of 550 researchable populations were established from the well-established VSLA groups in the various sectors.

### **3.5 Study Area**

The study was carried out at Chanika ward. Chanika is an administrative ward of Tanzania's Dar es Salaam Region's Ilala district. The ward has a total population of 23,450 as per the 2002 census. The researcher conducted the study on this area as area of interest due to the presence of many beneficiaries of VICOBA (550 beneficiaries from 17 registered VICOBA) so it was easy to conduct a study in this area basing on the nature of the study so the respondents are expected to be aware on the topic of the study.

### **3.6 Sample and Sampling Strategies**

#### **3.6.1 Sample Size**

The sample size of the study was 101 people who are beneficiaries from 17 VSLs located at Chanika ward. The sample size of this study was determined by Slovin's

formula with a confidence level of 91% and margin of error of 9% (1-0.09), the formula is expressed as hereunder;

$$n = N \div (1 + Ne^2)$$

Where: n= is number of sample (required)

N = Total population (550) and

e = Error tolerance (level) or margin of error (0.09)

Using above formula, the sample size is calculated as indicated below;

$$\begin{aligned} 550 / (1 + 500(0.09)^2) &= 550 / 5.455 \\ &= 100.8249 \end{aligned}$$

Therefore, the sample size for this study was 101 people

### **3.6.2 Sampling Strategies**

Sampling strategy is the method or process of choosing a group of people for the study in such a way that the people chosen are representative of the population (Bergh, 2015). Out of 101 people, 97 people were selected randomly and 4 as heads of VSLAs were selected purposively. In order to determine the sample size, the study used simple random sampling and purposive sampling procedures. To find 97 members, a straightforward random selection procedure was employed. All population members in this probability sampling have an equal chance of being chosen to create a sample (Adam & Kamuzora 2008). Each participant has an equal and independent probability of getting chosen when this method is used.

The method works well when the population consists of people who share comparable traits. With regard to the purposive sampling technique, it is a method that entails choosing a sample based on the researcher's judgment in light of the

factors and the nature of the study purpose (Orodho & Kombo, 2002). The leaders of the management 4 VSLs were chosen using this method. Due to the fact that purposive sampling is the best strategy to use when the informants have the relevant information or skills needed for the study, it is acceptable for this study. The researcher was able to choose respondents who were competent and knowledgeable about how VSLAs affected the economic empowerment of Chanika ward women, which served as both justification and validation for the technique's use.

### **3.7 Types of Data**

Both primary data and secondary data were used in this study to assure the accuracy of the results. The researcher was able to develop specific conclusions and information about how VSLAs affected the economic empowerment of Chanika ward women by using both forms of data.

### **3.8 Data Collection Tools**

#### **3.8.1 Questionnaire Tools**

The questionnaires were distributed to 97 who were members of VSLAs. The questionnaires were pilot tested to determine their suitability to the respondents. The designed structured questionnaire was formulated to capture knowledge and experience from the respondents who. This exercise of data collection was conducted for one week. However, the process of filling in the questionnaire was voluntary and where possible, respondents were requested to fill in a questionnaire and return to the researcher on the spot. The questionnaire was administered by visiting to the VSLAs offices and for that case, it was drop and pick method to distribute questionnaires. The use of questionnaires is justified since they provide a

quick and less expensive alternative to other approaches for gathering data from a large sample of people. Also, surveys made it simpler to code and analyze the data that was gathered. The data gathered through questionnaires corresponded to the goals of the study.

### **3.8.2 In-depth Interview**

Four VSL leaders were subjected to a thorough interview by the researcher. According to Cohen and Crabtree (2006), open-ended interviews are preferred because they permit the interviewee to express their opinions in their own unique manner and because they deliver accurate comparative data. Information gained through interviews was combined with information gathered through questionnaires. The information that was collected through in-depth interview reflects to the research questions. Interview questions tool were used to conduct an in-depth interview to the 4 VSLAs leaders.

### **3.8.3 Documentary Review**

With the purpose of obtaining second hand information to support the information obtained through primary data, this requires reviewing a variety of documents (Magigi, 2015). The influence of VSLAs on the economic empowerment of Chanika Ward women was the subject of a careful assessment of numerous documents, including books, journal articles, theses, and reports by the researcher for this study. The researcher planned to get these documents from selected VSLAs particularly reports related to the status of VSLAs, their financial capabilities and their members. Other documents such as journals, article, thesis and books were retrieved through websites and physical library of the Open University of Tanzania. Systematically,

the researcher made various steps to do documentary review, and these are:- to identify issues to be taken into consideration, secondly is to select what is needed and what is not needed in the course of reviewing documents, thirdly is to make summary of the documents based on the issues that are required and lastly is to use it as the secondary data in the research.

### **3.9 Reliability and Validity of Data**

The research instruments were improved through a pilot study to guarantee reliability. The pre-testing of the research tools was made possible by the pilot study. Contrarily, validity is the extent to which the selection of test items accurately reflects the subject matter that the test is intended to measure (Bridget & Lewin, 2005). The researcher sought the advice of specialists in the field of study, in particular the supervisor, to determine the validity of the research tools. This improved validity by making it easier to revise and modify the research tools as needed.

### **3.10 Data Analysis**

The researcher revised the completed questionnaires to ensure their uniformity and completeness in order to use SPSS/Ms. Excel for quantitative data. The next step was data cleanup, which entails editing, coding, and tabulation to identify any discrepancies in the responses and give them particular numerical values. With the use of SPSS/Microsoft Excel, descriptive and multiple regressions analyses were utilized to analyze the quantitative data from the questionnaire. For qualitative data, content analysis was used whereas it involved data reduction in which all irrelevant information were reduced followed by coding or known as descriptive display sheet

and lastly is drawing conclusion.

**Table 3.1: Measurement of Variables**

Variable	Indicators	Measurement	Instrument
Loan procedures strategies	<ul style="list-style-type: none"> <li>Criteria for loan</li> <li>Time for loan provision</li> </ul>	5-point scale	Likert Questionnaire
Loan conditions strategies	<ul style="list-style-type: none"> <li>Shares</li> <li>Guarantors</li> </ul>	5-point scale	Likert Questionnaire
Loan size strategies	<ul style="list-style-type: none"> <li>Amount requested</li> <li>Amount provided</li> </ul>	5-point scale	Likert Questionnaire

**Source:** Researcher's own Construction (2022).

### 3.11 Ethical Consideration

The type of agreement that the researcher establishes with the research participants is referred to as research ethics. The following categories of research ethics concerns exist: protection against stress, harm or danger to participants, informed consent, right to privacy, confidentiality, and openness with peers in the field (Best & Khan, 2016). In order to conform to ethical considerations, the researcher followed the principles of consent and anonymity, in which all respondents' names were made public because the researcher used the terms "respondent" or "key informant" when asking for their involvement in the study.

With regard to the confidentiality, the researcher ensured that, did not disclose the identity of the respondents due to the security purpose and ethical purpose as well. In the other hand, the researcher ensured that there was an avoidance of physical harm which means the researcher did not use any force to harm or threaten the respondents and avoidance of deception which means the researcher avoided any kind of deception. However, before conducting research, the researcher obtained permission from the university prior the start of data collection. The researcher also asked for permission from the studied VSLAs.

## **CHAPTER FOUR**

### **PRESENTATION AND DISCUSSION OF FINDINGS**

#### **4.1 Introduction**

This chapter deals with the presentation and discussion of findings based on the impact of village saving and lending associations strategies to women economic empowerment at Chanika Ward. The study used sample size of 101 respondents whereas about 97 respondents were distributed with questionnaire and the rest with 4 were interviewed. With regard to the respondents who were distributed with questionnaire, about 94 questionnaires were returned and for the returned questionnaire, 4 questionnaires were incomplete and 90 questionnaires were complete filled in.

In that regard, the response rate for the 90 distributed questionnaires was 92.8%. A return rate of 50% is considered adequate, a return rate of 60% is good, and a return rate of above 70% is considered to be very well. This supports Kothari's (2004) claim that a response return rate of 50% is sufficient and that a rate of more than 70% is excellent. In light of these claims, the study's response return rate of 92.8% is excellent. For the case of interview, only 2 respondents were available and the rest with 2 were not available due tight schedule.

#### **4.2 Background Information of Respondents**

Background information of respondents involved age, marital status, level of education, number of members of households and economic activity. Hence Table 4.1, 4.2, 4.3, 4.4 and 4.5 represent the study findings as obtained from the field:-



#### 4.2.1 Age of Respondents

Respondents were asked about their age so as to determine different age category of respondents and which age category of respondents dominates in VSLAs as indicated in Table 4.1.

**Table 4.1: Age of the Respondents**

<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
18-27 years	23	25.6
28-37 years	37	41.1
38-47 years	19	21.1
48+ years and above	11	12.2
<b>Total</b>	<b>90</b>	<b>100.0</b>

**Source:** Field Data, (2022).

The study findings provide that, 23 respondents equivalent to 25.6% were aged between 18-27 years while 37 respondents equivalent to 41.1% were aged between 28-37 years and 19 respondents equivalent to 21.1% were aged between 38-4 years. In the similar case, it was found that, about 11 respondents equivalent to 12.2% were aged of 48 years and above. Thus, majority of respondents were aged between 28-37, meaning that most of women who are engaged in VSLAs are still young and thus could be able to find out any means that can help them surviving and that is why most of them tend to join VSLAs so that may get access to capital for their business.

#### 4.2.2 Marital Status of Respondents

Respondents were asked about their marital status in order to find out whether women who join VSLAs are single, married, divorced, widows or separated. The study findings are therefore presented in Table 4.2.

**Table 4.2: Marital Status of Respondents**

<b>Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Single	23	25.6
Married	57	63.3
Divorced	3	3.3
Widow	5	5.6
Separated	2	2.2
<b>Total</b>	<b>90</b>	<b>100.0</b>

**Source:** Field Data, (2022).

As far as Table 4.2 is concerned, about 23 respondents equivalent to 25.6% were identified as single while 57 respondents equivalent were identified as married and 3 respondents which is equivalent to 3.3% were identified as divorced. In the other hand, it was established that, about 5 respondents equivalent to 5.6% were widows and the rest with 2 which is equivalent to 2.2% were separated. In that regard, majority of respondents of respondents who participated in this study were married, meaning that most of VSLAs members who are women are married and thus VSLAs enable them to access loan for their survival. Once they obtain fund to run their businesses and once they invest in business, they gain profit that could help and support their families.

#### 4.2.3 Level of Education of Respondents

**Table 4.3: Level of Education of Respondents**

<b>Level of education</b>	<b>Frequency</b>	<b>Percent</b>
Primary school	41	45.6
Secondary school	49	54.4
<b>Total</b>	<b>90</b>	<b>100.0</b>

**Source:** Field Data, 2022

Respondents were asked about their marital status in order to find out whether women who join VSLAs are single, married, divorced, widows or separated. The study findings are therefore presented in Table 4.3 It was found that about 41 respondents equivalent to 45.6% had attained primary school while the rest with 49 respondents which is equivalent to 54.4% had attained secondary education. In that regard, majority of respondents attained secondary school, meaning that most of women who are engaged in VSLAs are not well educated and thus could not be fit to white collar jobs which need high level of education. Because of that, it is hard for them to find good jobs, rather than finding an alternative for their survival, and one of these alternatives are engaged in VSLAs so as to access loan that could enable them to establish business.

#### 4.2.4 Number of People Living in the House

Respondents were further asked about number of dependents they have or in other words number of people who live in the house. The study findings are therefore presented in Table 4.5

**Table 4.4 Number of People living in the House**

<b>Number of people</b>	<b>Frequency</b>	<b>Percent</b>
1-5	71	78.9
6-10	19	21.1
11-15	0	00.0
Above 15	0	00.0
<b>Total</b>	<b>90</b>	<b>100.0</b>

**Source:** Field Data, (2022).

The study findings stipulate that 71 respondents equivalent to 78.9% said to have 1-5 members while the rest with 19 respondents which is equivalent to 21.1% said to

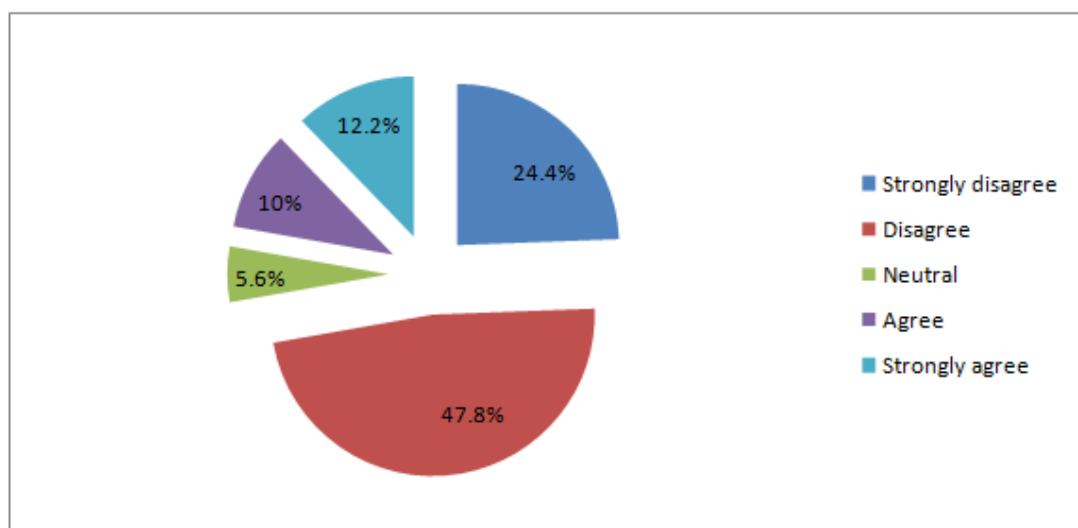
have 6-10 members. From that point of view, it can be said that, most of respondents said to have members around 1-5 and thus through business established as the results of VSLAs, they are capable to take care of them.

### 4.3 The Effect of Loan Procedures Strategies set up by VSLAs to the Economic Empowerment

This was the first objective of the study sought to assess the effect of loan procedures strategies set up by VSLAs to the economic empowerment. Findings from questionnaire were answered by 90 respondents and from interview were answered by 2 respondents.

#### 4.3.1 Long Procedures for Loan Accessibility

Respondents were asked whether there are long procedures to access loan through VSLAs. The study findings are therefore presented in Figure 4.1 as extracted from the field



**Figure 4.1: Long Procedures for Loan Accessibility**

**Source:** Field Data, (2022).

The study findings indicated that 43% respondents which are equal to 47.8% disagreed that there are long procedures to access loan through VSLAs followed by 22 respondents which is equivalent to 24.4% who strongly disagreed with statement and 11 respondents equivalent to 12.2% strongly agreed. In the other hand, about 9 respondents which are equivalent to 10% disagreed and 5 respondents equal to 5.6% were neutral. To conclude with this segment, it is clearly indicated that majority of respondents disagreed that there are long procedures to access loan through VSLAs. This implies that the procedures for loan accessibility at VSALs are friendly in the sense women accessing loan in an effective and efficient way.

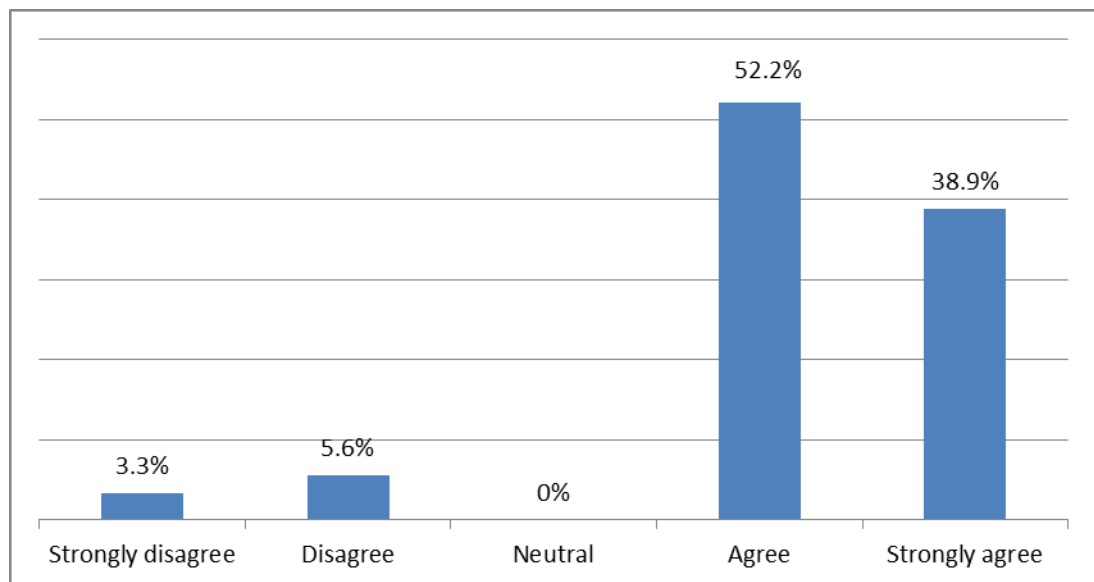
The researcher is of the view that when the procedures are complex, prolonged and bureaucratic would render to discourage women accessing loan through VSLAs and based on that fact, they are economically empowered. The study findings are given support with various scholars. For example, Maturo (2015) who assessed on the microfinance and alleviation of poverty in Uganda and found that all the female clients who had access to microcredit institutions due to the conducive loan processes were reported an increase in their incomes that improved their living standards, sent their children to school; were able to pay for their medical bills and feed their families, were able to cope with future crises using their savings, women were economically empowered and this was due to flexibility loan procedures in vulnerability.

Maina (2017) carried out research by analyzing on how microfinance has an impact on the income of household and measuring household vulnerability to poverty after making an accessibility of credit to microfinance institutions. The research was

carried out at the district of Makueni. It was unveiled that microfinance has significant influence and impact on the income of household. In addition to that, there was an improvement of the income of household and this was due to the fact that there were no strongest procedures.

#### 4.3.2 Reasonable Timely Delivery for Loan

Respondents were also asked whether there is reasonable timely delivery for loan as the result of good loan procedures. The study findings are therefore presented in Figure 4.2 as extracted from the field:-



**Figure 4.2: Reasonable Timely Delivery for Loan**

**Source:** Field Data, 2022

The study findings indicated that 47 respondents which are equal to 52.2% agreed that there is reasonable timely delivery for loan as the result of good loan procedures followed by 35 respondents which is equivalent to 38.9% who agreed with statement and 5 respondents equivalent to 5.6% disagreed. In the other hand, about 3 respondents which are equivalent to 3.3% strongly disagreed with statement. To

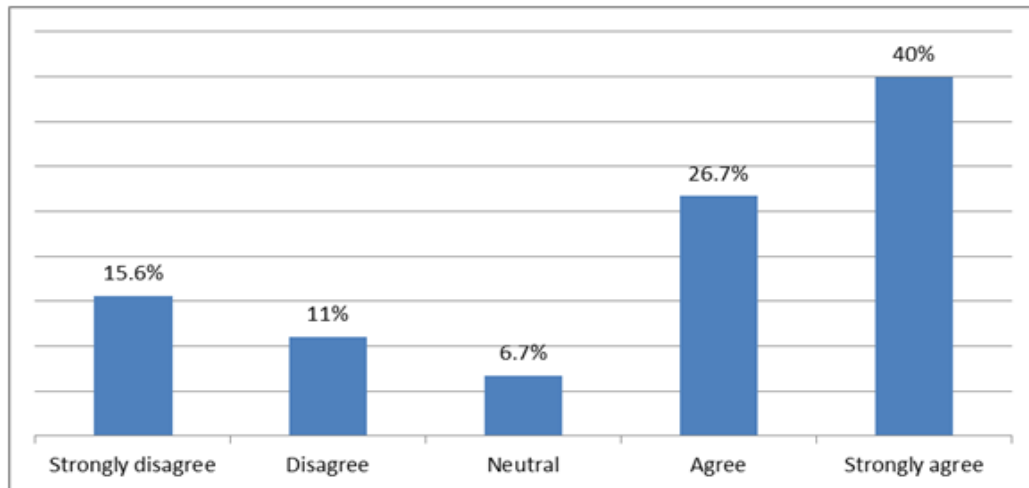
conclude with this segment, it is clearly indicated that majority of respondents agreed that there is reasonable timely delivery for loan as the result of good loan procedures. This indicates that the timely loan service delivery does not take much time after a member processing the loan and based on that argument, it can be said that the members acquire loan on expected time and for that reason they are economically empowered. Quoting one of the key informants, the following statement was made regarding the situation:-

*Usually after a member processing loan, usually it takes around 2 weeks to get that loan, and for sure this is very minimal time as compared to other VSLAs. However, this will also depend on the number of applicants (Interview, 2022)*

The findings are linked with by Obeng (2015) who clarified that there was an accessibility of credit to the vulnerable and marginalized people on due time as the result of favourable loan procedures designed by microcredit institutions and thus led to the positive effect on the poverty reduction among the beneficiaries.

#### **4.3.3 Complex Loan Procedures**

Respondents were further asked whether complex loan procedures make it hard for loan accessibility by members. The study findings are therefore presented in Figure 4.3 as extracted from the field. It was established that, about 36 respondents which are equal to 40% strongly agreed that complex loan procedures make it hard for loan accessibility by members followed by 24 respondents which is equivalent to 26.7% who agreed with statement and 14 respondents equivalent to 15.6% strongly disagreed with the statement. In the other hand, about 10 respondents which are equivalent to 11% disagreed with statement and the rest with 6 respondents which are equivalent to 6.7% were neutral.



**Figure 4.3: Complex Loan Procedures**

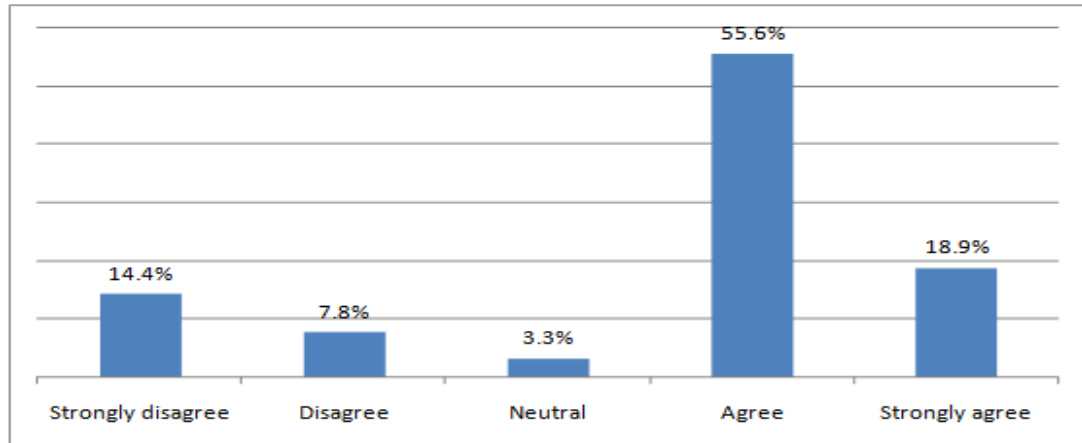
**Source:** Field Data, 2022

In that regard, majority of respondents strongly agreed that complex loan procedures make it hard for loan accessibility by members. This gives an implication of the fact that, members of VSLAs who participated in this study are aware of the fact that complex loan procedures hinder timely and effective loan accessibility and this is due to the fact complex loan procedures demand a number of items, something which is hard for the marginalized groups to afford. That is why most of women prefer to use VSLAs to access loan due to affordability and soft loan procedures. The study findings are supported with the study by Maina (2015) that there is a role of microfinance on the improvement of household incomes and this due to the fact that there are no strongest procedures.

#### **4.3.4 Criteria set up by VSLAs**

Respondents were further asked whether the criteria set up VSLAs in the loaning process/procedures are friendly. The study findings are therefore presented in Figure 4.4 as extracted from the field.





**Figure 4.4: Criteria set up by VSLAs**

**Source:** Field Data, (2022).

Findings indicated that, about 50 respondents which are equal to 55.6% agreed that the criteria set up VSLAs in the loaning process/procedures are friendly followed by 17 respondents which is equivalent to 18.9% who strongly agreed with the statement and 13 respondents equivalent to 14.4% strongly disagreed with statement. In addition to that, about 7 respondents which are equivalent to 7.8% disagreed with the statement and the rest with 3 respondents which are equivalent to 3.3% were neutral with the statement. To sum up, majority of respondents agreed that the criteria set up VSLAs in the loaning process/procedures are friendly. This gives an implication of the fact that the criteria set up by studied VSLAs do not put off the members as they enable them to access loan without any prolongations with complex criteria that can be found to the financial institutions like bank sector.

One of the identified criteria include must have a share, guarantor and must have contributed monthly contributions. Quoting one of the key informants, the following statement was made:-

*The criteria set up by VSLAs are afforded by members as they are not complex. For a person to access such loan must be a member who has made monthly contributions and must ensure that she has a*

*guarantor* (Interview, 2022).

The study findings are also linked with various scholars who have attempted to explain issues related to the criteria. For example, Maturo (2015) clearly clarified that most of the criteria set up by VSLAs do not harm the members and thus they are set up with good and affordable loan procedures and conditions so as to allow many of members to access loan as means economic empowerment. With regard to the specific objective one, the findings clearly indicated that loan procedures set up by VSLAs are favourable and not prolonged in order to empower economically women. Based on this argument, it suffices to argue that VSLAs strategies have the impact on economic empowerment.

The findings are corroborated by Village Savings and Loans Association model which was initiated in 1991 by Mata Masa Dubara. According to Daley (2010), the Village Savings and Loans Association model is a microfinance strategy whose goal is to offer low-income clients, who typically lack access to more formal banking services, financial services such as loans, savings, and insurance. The power and effectiveness of VSLA comes in its capacity to enable people to break free from the economic grip of poverty while avoiding dependency and the stigma associated with conditional aid's "hand out" behaviour.

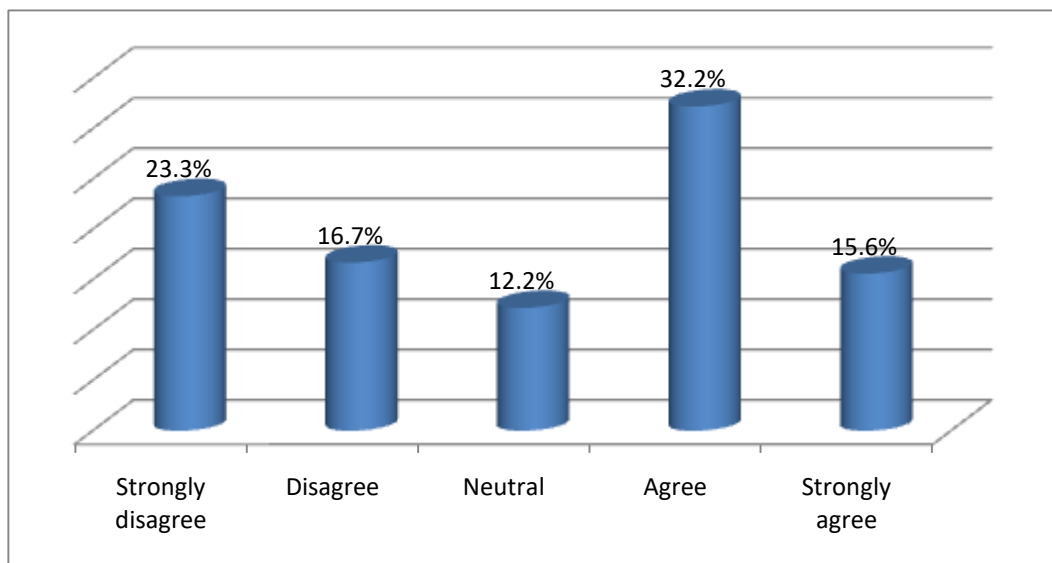
#### **4.4 The Effect of Loan Conditions Strategies set up by VSLAs to the Economic Empowerment**

This was the second objective of the study sought to assess the effect of loan conditions strategies set up by VSLAs to the economic empowerment. Findings from questionnaire were answered by 90 respondents and from interview were answered

by 2 respondents.

#### 4.4.1 Loan Conditions

It was the interest of the researcher to get respondents' view on whether loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets are not complex and thus have led for members to access loan from VSLAs for economic empowerment. To achieve on this, Figure 4.5 gives summary of the study findings as obtained from the field.



**Figure 4.5: Loan Conditions**

**Source:** Field Data, (2022).

Findings indicated that, about 29 respondents which are equal to 32.2% agreed that loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets are not complex and thus have led for members to access loan from VSLAs for economic empowerment followed by 21 respondents which is equivalent to 23.3% who strongly disagreed with statement and 15 respondents equivalent to 16.7% disagreed with the statement. In the similar case, about 14 respondents which are equivalent to 15.6% strongly agreed and the rest

with 11 respondents which are equivalent to 12.2% were neutral with the statement.

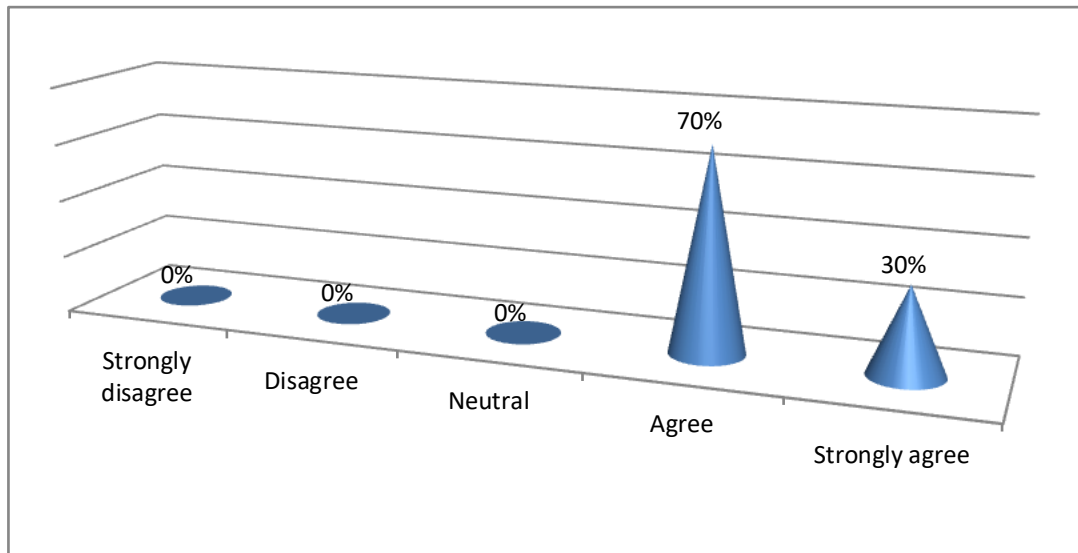
Thus majority of respondents agreed that loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets are not complex and thus have led for members to access loan from VSLAs for economic empowerment. This implies that the loan conditions set up by studied VSLAs are favourable and thus do not harm the members who want to process loan. In that regard, it can be said that, since there are friendly loan conditions, then that tend to ensure women economic empowerment. Quoting one of the key informants, the following statement was made:-

*The loan conditions set up by VLSAs are not complex in the sense that most of the members could not be able to afford them. Here our conditions are very simple and this is because we want every woman to get loan for her economic empowerment (Interview, 2022).*

The study findings are supported by Agaba (2018) who investigated Loan Conditionalities and Accessibility in Microfinance Institutions in Uganda and found that having proper loan conditions would render to allow more members to access loan to achieve their goals. However, security and guarantor for the credit, of the microfinance institution can be assured of the commitment and ability of these borrowers to pay back the borrowed funds since they are offered with friendly loan conditions.

#### **4.4.2 Grace Period**

It was the interest of the researcher to get respondents' view on whether grace period for the loan repayment is affordable at large and thus leads to empower women economically. To achieve on this, Figure 4.6 gives summary of the study findings as obtained from the field.



**Figure 4.6: Grace Period**  
**Source:** Field Data, (2022).

Findings indicated that, about 63 respondents which are equal to 70% agreed that grace period for the loan repayment is affordable at large and thus leads to empower women economically while the rest with 27 respondents which are equivalent to 30% strongly agreed with statement. From that point of view, it can be said that, majority of respondents agreed that grace period for the loan repayment is affordable at large and thus leads to empower women economically. This indicates that the grace period by loan beneficiaries does not affect majority of loan beneficiaries and thus it enables them to return their loans effectively.

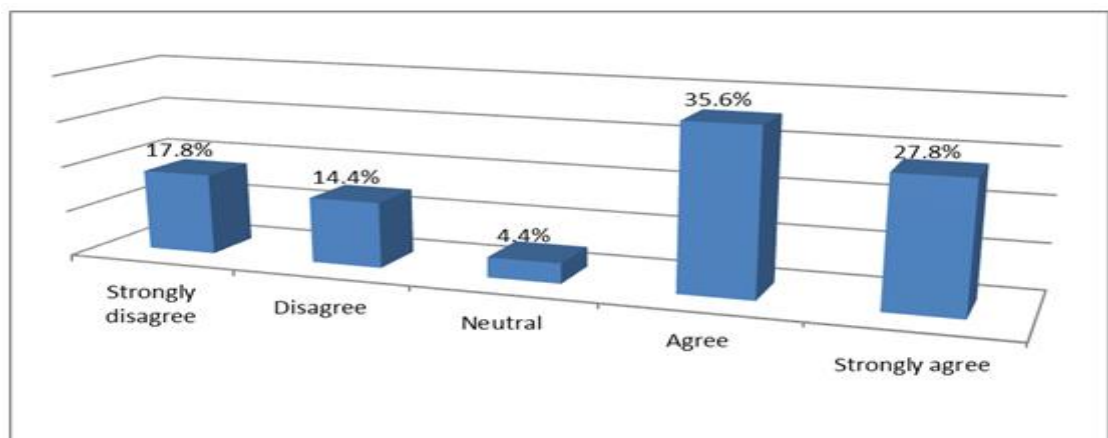
When the grace period is short, it is hard for majority of loan beneficiaries to afford their return. Having good grace period will make the loan beneficiaries to run their businesses and make their return wisely. The grace period which is less than one year is not good grace period as it does not give room loan beneficiaries to return the loan. According to the study findings by Haji (2015), the contributions made by MFIs to SMEs in Zanzibar were not sufficient and also there was a short period of

time for the loan beneficiaries to start repaying the loan. Quoting one of the key informants, the following statement was made:-

*The grace period for VSLAs here is not bad as it depends on the amount of loan. The loan grace period usually ranges on 1 year (Interview, 2022).*

#### 4.4.3 Fair Loan Conditions

It was the interest of the researcher to get respondents' view on whether loan conditions set by Chanika VSLAs are fair that has led to the women economic empowerment. To achieve on this, Figure 4.7 gives summary of the study findings as obtained from the field. Findings indicated that, about 32 respondents which are equal to 35.6% agreed that loan conditions set by Chanika VSLAs are fair that has led to the women economic empowerment followed by 25 respondents which is equivalent to 27.8% who strongly disagreed with statement and 16 respondents equivalent to 17.8% strongly disagreed with statement.



**Figure 4.7: Fair Loan Conditions**

In the similar case, about 13 respondents which are equivalent to 14.4% disagreed and the rest with 4 respondents which are equivalent to 4.4% were neutral with the statement. Thus majority of respondents agreed that loan conditions set by Chanika

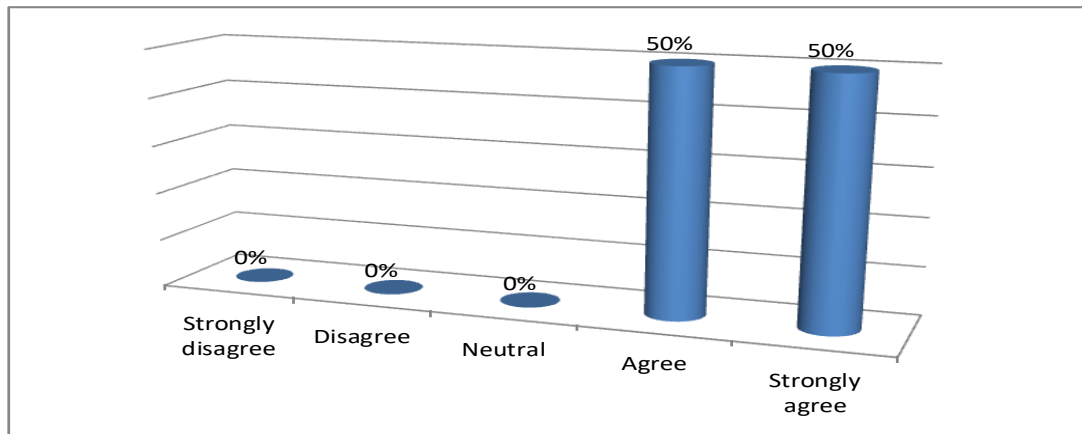
VSLAs are fair that has led to the women economic empowerment. This gives an implication of the fact that the loan conditions set up by studied VSLAs do not make it hard for the members to access such loans and this is the purpose of establishing VSLAs, as to empower marginalized group of people economically since they cannot be able to have such accessibility through financial institutions.

This is consistent with Bamwesigye (2018) who assessed banking the unbankables: microfinance and poverty reduction in Rwanda and found that microfinance outreach in scale is extensive and impacted positively on the poor but only the poor close to the poverty line could have been reached through MFI and this is due to the affordable, fair and flexible loan conditions. In the similar case, Ollotu (2017) assessed the contribution of VICOBA to the economic development and livelihood of women in Tanzania and found that most of the about half of respondents joined VICOBA because of getting capital for business and later savings and this is because the loan conditions set up by VICOBA are fair and thus give a room for majority of people to join VICOBA. Good number of respondents appeal ease accessibility and join VICOBA for the purpose of improving life.

The study also found that half of the respondents claimed that VICOBA had assisted them in starting and operating a small business in their community, while others claimed that they had been able to pay their children's school expenses and significantly improved their standard of living through the purchase of plots and home renovations, as well as the opening of businesses like saloons and restaurants with "food vending" services. Statistics showed that members' savings, profits, and fines from contract violations were all used to accrue funds for borrowing.

#### 4.4.4 Loan Conditions

It was the interest of the researcher to get respondents' view on whether loan conditions strategies are crucial in empowering women economically. To achieve on this, Figure 4.8 gives summary of the study findings as obtained from the field:-



**Figure 4.8: Loan Conditions are Crucial**

**Source:** Field Data, (2022).

Findings indicated that, about 45 respondents which are equal to 50% agreed that loan conditions strategies are crucial in empowering women economically while the rest with 45 respondents equivalent to 50% strongly agreed that loan conditions strategies are crucial in empowering women economically. To sum up, majority of respondents strongly agreed that loan conditions strategies are crucial in empowering women economically. This gives an implication of the fact that affordable loan conditions strategies play vital role in empowering women economically as they make more women to access loan to change their lives through various economic activities they have established as the result of such loans.

The study findings are compatible with the study by Bamwesigye (2018) that microfinance outreach in scale is extensive and impacted positively on the poor but only the poor close to the poverty line could have been reached through MFI and this



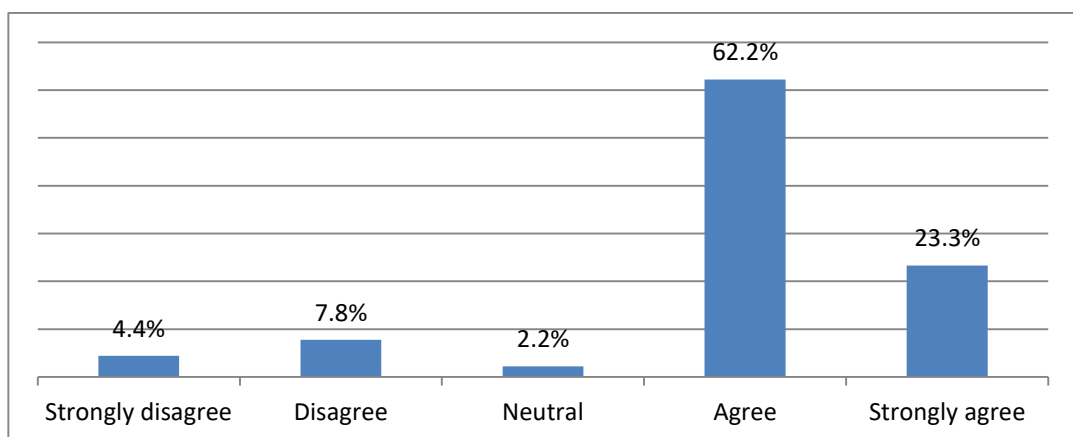
is due to the affordable and flexible loan conditions.

#### **4.5 The Effect of Loan Size Strategies set up by VSLAs to the Economic Empowerment**

This was the third objective of the study sought to assess the effect of loan size strategies set up by VSLAs to the economic empowerment. Findings from questionnaire were answered by 90 respondents and from interview were answered by 2 respondents.

##### **4.5.1 Amount of Loan Provided**

It was the interest of the researcher to get respondents' view on whether the loan provision by amount requested has led to the economic empowerment of women. To achieve on this, Figure 4.9 gives summary of the study findings as obtained from the field. The study findings indicated that, about 56 respondents which are equal to 62.2% of the respondents agreed that the loan provision by amount requested has led to the economic empowerment of women followed by 21 respondents which is equivalent to 23.3% who strongly agreed with statement and 7 respondents equivalent to 7.8% disagreed with statement.



**Figure 4.9: Amount of Loan Provided**

In the similar case, about 4 respondents which are equivalent to 4.4% strongly disagreed and the rest with 2 respondents which are equivalent to 2.2% were neutral with statement. Thus majority of respondents agreed that the loan provision by amount requested has led to the economic empowerment of women. This implies that when the members are given the exact amount they request, it makes them to achieve their intended goals and thus could lead to improve their economic status through their business activities they establish as the result of amount of loan offered.

Quoting one of the key informants, the following statement was made:-

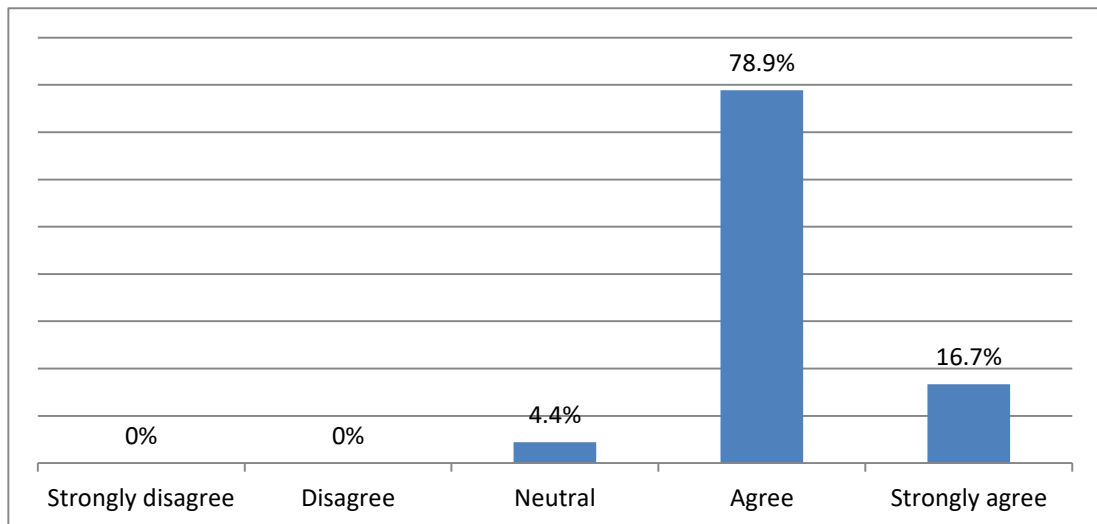
*The amount of loan offered to the members is the exact amount that most members requested. This is because it is hard to provide less amount offered and if that the case, such loan beneficiaries would not be able to achieve their desire (Interview, 2022).*

The study findings are supported with the study by Lushakuzi (2017) who claimed that when the loan is provided to the exact amount requested that will enable the loan beneficiaries to achieve what they intended to achieve. In that case, at the 10% level, the current loan size coefficient was statistically significant and positive. According to the marginal effects analysis, loan size increases household welfare by 83%. A positive coefficient suggests a direct connection between the magnitude of the loan and household welfare. This indicates that VICOBA members who can access the full loan amount sought are better able to improve their welfare than those who only borrow a limited amount of credit.

#### **4.5.2 Loan Size Provided**

It was the interest of the researcher to get respondents' view on whether the loan size provided by Chanika VSLAs are fair to most of members which made them to

access loan to improve their economic well-being. To achieve on this, Figure 4.10 gives summary of the study findings as obtained from the field.



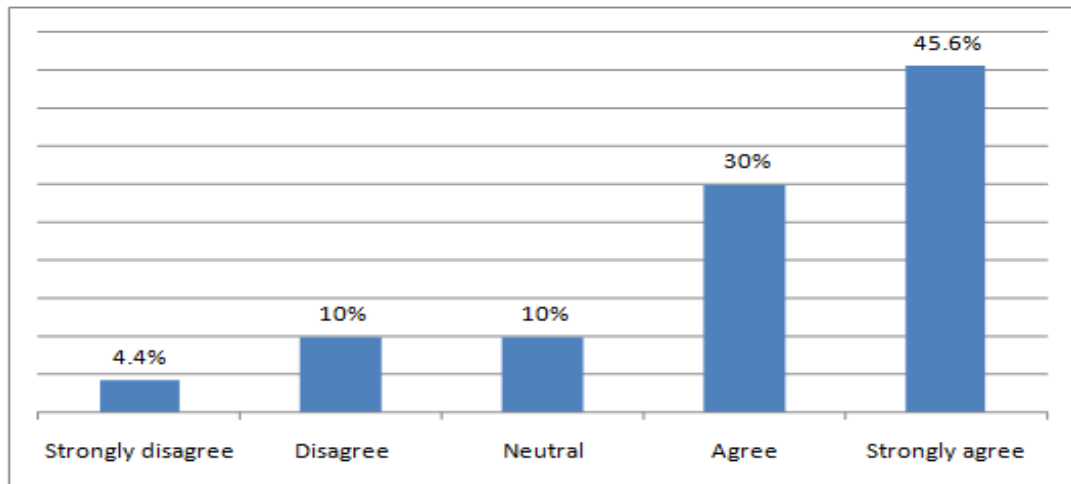
**Figure 4.10: Loan Size Provided**

**Source:** Field Data, (2022).

The study findings indicated that, about 71 respondents which are equal to 78.9% of the respondents agreed that the loan size provided by Chanika VSLAs are fair to most of members which made them to access loan to improve their economic well-being followed by 15 respondents which is equivalent to 16.7% who strongly agreed with statement and 4 respondents which are equivalent to 4.4% were neutral with statement. From that point of view, it can be said that, majority of respondents agreed that the loan size provided by Chanika VSLAs are fair to most of members which made them to access loan to improve their economic well-being. This implies that the loan size provided is fair that makes loan beneficiaries to achieve their desired goals in business for economic empowerment. This is also in line with Salum (2017) who claimed that the loan size set up by VICOBA are fair in a such way most of the members are capable to obtain the amount requested and make their goals achieved.

### 4.5.3 Good Loan Size Provided

It was the interest of the researcher to get respondents' views based on the argument that without good loan size, it is hard to empower women economically. To achieve on this, Figure 4.11 gives summary of the study findings as obtained from the field.

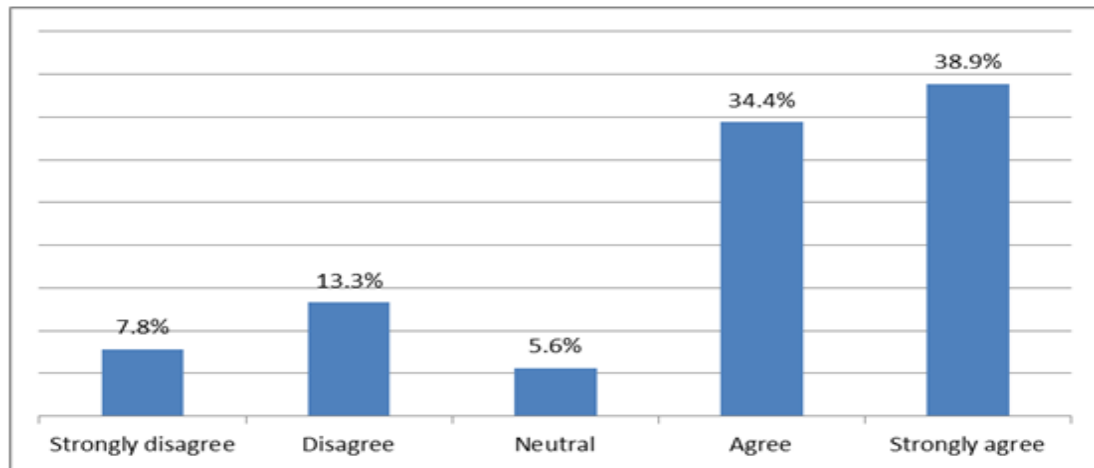


**Figure 4.11: Good Loan Size**

It is indicated that about 41 respondents which are equal to 45.6% of the respondents strongly agreed that without good loan size, it is hard to empower women economically followed by 27 respondents which is equivalent to 30% who agreed with statement and 9 respondents equivalent to 10% disagreed with statement. In the similar case, about 9 respondents which are equivalent to 10% were neutral and the rest with 4 respondents which are equivalent to 4.4% strongly disagreed with statement. Thus majority of respondents strongly agreed that without good loan size, it is hard to empower women economically. This implies that when the loan size is good, it will make the women achieve their goals as they will get the amount requested. This is also in line with Lushakuzi (2017) who claimed that the loan size set up by VICOBA are fair in a such way most of the members are capable to obtain the amount requested and make their goals achieved.

#### 4.5.4 Loan Size Strategies

It was the interest of the researcher to get respondents' view whether loan size strategies are crucial for women economic empowerment. To achieve on this, Figure 4.12 gives summary of the study findings as obtained from the field.



**Figure 4.12: Loan Size Strategies**

It is indicated that about 44 respondents which are equal to 48.9% of the respondents strongly agreed that loan size strategies are crucial for women economic empowerment followed by 31 respondents which is equivalent to 34.4% who agreed with statement and 12 respondents equivalent to 12.2% disagreed with statement. In the similar case, about 7 respondents which are equivalent to 7.8% strongly disagreed with the statement and the rest with 5 respondents which are equivalent to 5.6% were neutral.

Thus majority of respondents agreed that loan size strategies are crucial for women economic empowerment. This gives an implication of the fact that loan size set up by VSLAs are crucial for women economic empowerment. According to Salum (2017), the average loan size for every VICOBA member was TZS 651,768 and the minimum loan size was zero while the maximum was TZS 7,500,000. The income of

each VICOBA member was TZS 200,529 on average, the minimum income was TZS 30,00 while the maximum income was TZS 1,000,000.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents summary, conclusion and recommendations on the impact of VSLAs strategies to the economic empowerment of Chanika ward women. The chapter also establishes areas for further studies.

#### **5.2 Summary of the Study**

The study was carried out to assess the impact of VSLAs strategies to the economic empowerment of Chanika ward women. The specific objectives of the study were:-

- i. To assess the effect of loan procedures strategies set up by VSLAs to the economic empowerment
- ii. To assess the effect of loan conditions strategies set up by VSLAs to the economic empowerment
- iii. To assess the effect of loan size strategies set up by VSLAs to the economic empowerment

The study was well justified by adequate theoretical and empirical studies. Conceptual framework as the model was developed to indicate the relationship between the study variables which helped in filling the research gap. On the other hand, the study used feminist theory and Village Savings and Loans Association model. The study used cross sectional research design as the research design while on the other hand simple random and purposive sampling strategies were used to select 101 respondents. Both primary data and secondary data were used while questionnaire and interview were used to gather data from respondents. Data were

analyzed using descriptive analysis with the aid of Ms-Excel and qualitative data for content analysis. The research instruments were improved through a pilot study to guarantee reliability. The pre-testing of the research tools was made possible by the pilot study. Also the researcher sought opinion of experts in the field of study, in particular the supervisor, to determine the validity of the research tools. This improved validity by making it easier to revise and modify the research tools as needed.

From specific objective one, majority of respondents disagreed that there are long procedures to access loan through VSLAs, majority of respondents agreed that there is reasonable timely delivery for loan as the result of good loan procedures while majority of respondents strongly agreed that complex loan procedures make it hard for loan accessibility by members and majority of respondents agreed that the criteria set up VSLAs in the loaning process/procedures are friendly.

With regard to the specific objective two, findings indicated that majority of respondents agreed that loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets are not complex and thus have led for members to access loan from VSLAs for economic empowerment, majority of respondents agreed that grace period for the loan repayment is affordable at large and thus leads to empower women economically while majority of respondents agreed that loan conditions set by Chanika VSLAs are fair that has led to the women economic empowerment and majority of respondents strongly agreed that loan conditions strategies are crucial in empowering women economically.



With reference to specific objective three, it was unveiled that majority of respondents agreed that the loan provision by amount requested has led to the economic empowerment of women, majority of respondents agreed that the loan size provided by Chanika VSLAs are fair to most of members which made them to access loan to improve their economic well-being while majority of respondents strongly agreed that without good loan size, it is hard to empower women economically and majority of respondents agreed that loan size strategies are crucial for women economic empowerment.

### **5.3 Conclusion**

With regard to the specific objective one which was to assess the effect of loan procedures strategies set up by VSLAs to the economic empowerment, the study concludes that loan procedures set up VSLAs found to have effect on the economic empowerment as through them, women were capable to access loans. With regard to the specific objective two which was to assess the effect of loan conditions strategies set up by VSLAs to the economic empowerment, the study concludes that loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets found to have effect on the economic empowerment as through them, women were capable to access loans. With regard to the specific objective three which was to assess the effect of loan size strategies set up by VSLAs to the economic empowerment, the study concludes that the loan provision by amount requested has led to the economic empowerment of women.

### **5.4 Recommendations**

In a light of above findings, the study recommends as follows:-

With regard to loan procedures strategies set up by VSLAs, the study recommends that there is a need for VSLAs to maintain and improve the loan procedures in order to continue sustaining and empowering women at large. With regard to loan conditions strategies set up by VSLAs, the study recommends that there is a need for VSLAs to maintain and improve the loan conditions in order to continue sustaining and empowering women at large. With regard to the loan size strategies set up by VSLAs, the study recommends that there is a need for VSLAs to maintain and improve the loan size offered in order to continue sustaining and empowering women at large.

### **5.5 Areas for Further Studies**

The study was carried out to assess the impact of VSLAs strategies to the economic empowerment of Chanika ward women. Further studies can be carried out to look for other VSLAs from other areas so as to find out how they engage in empowering women economically. In addition to that, the study was limited to cross-sectional design and thus further studies can be conducted using other research designs such as descriptive survey design and case study.

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## APPENDICES

### Appendix 1: Questionnaires

This research study aims at collecting data on *The Impact of VSLA Strategies to the Economic Empowerment of Chanika Ward Women*. I kindly request you to take a few minutes to respond to the questions below to the best of your understanding so that I can reach the expected results. I assure you that the information you will provide in this questionnaire will be treated as confidential and used for the academic purpose only and not otherwise.

Questionnaire number ..... Date .....

#### Part A: Background Information

1. What is your age? .....

- a) 18-27
- b) 28-37 ( )
- c) 38 -47
- d) 58 and above

2. Marital status

- a) Single
- b) Married
- c) Divorce-
- d) Widow
- e) Separated

3. Education level

- a) Never attended

- b) Adult
- c) Primary school
- c) Secondary school
- d) College

4. How many people live in your house?

- a) 1-5
- b) 6 -10 (
- c) 11-15
- d) Above

5. What is your major economic activity?

- a) Farming
- b) Livestock keeping
- c) Small business
- d) Civil servant
- e) Others \_\_\_\_\_

### **Part B: Effect of loan procedures strategies set up by VSLAs to the Economic**

#### **Empowerment**

1=Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5=Strongly agree

S/n	Loan procedures	1	2	3	4	5
1	There are long procedures to access loan through VSLAs					
2	There is reasonable timely delivery of loan when accessing loan through VSLAs					
3	Complex loan procedures make it hard for loan accessibility by members					
4	The criteria set up VSLAs in the loaning process/procedures are friendly					

Specify others if any \_\_\_\_\_

**Part C: The effect of loan conditions strategies set up by VSLAs to the economic empowerment**

S/n	Loan conditions	1	2	3	4	5
1	Loan conditions such as percentage of shares compulsory savings, guarantor requirements and to have physical assets are not complex and thus have led for members to access loan from VSLAs for economic empowerment					
2	Grace period for the loan repayment is affordable at large and thus leads to empower women economically					
3	Loan conditions set by Chanika VSLAs are fair that has led to the women economic empowerment					
4	Loan conditions strategies are crucial in empowering women economically					

**Part D: The effect of loan size strategies set up by VSLAs to the Economic Empowerment**

S/n	Loan size	1	2	3	4	5
1	The loan provision by amount requested has led to the economic empowerment of women					
2	The loan size provided by Chanika VSLAs are fair to most of members which made them to access loan to improve their economic well-being					
3	There is relationship between loan size and women economic empowerment					
4	Loan size strategies are crucial for women economic empowerment					



**Appendix II: Interview Guide**

1. What is the effect of loan procedures strategies set up by VSLAs to the economic empowerment?
2. What is the effect of loan conditions strategies set up by VSLAs to the economic empowerment?
3. What is the effect of loan size strategies set up by VSLAs to the economic empowerment?

### Appendix III: Clearance Letter



Ref. No OUT/PG202186605

27<sup>th</sup> September, 2022

District Executive Director (DED),  
ILALA Municipal Council,  
P.O. Box 5429,  
DAR ES SALAAM.

Dear District Executive Director,

**RE: RESEARCH CLEARANCE FOR MS. HELLEGLAD WILLIAM, REG NO: PG202001458**

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1<sup>st</sup> March 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1<sup>st</sup> January 2007. In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

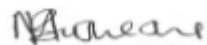
3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Ms. Hellingland William, Reg. No: PG202001458**, pursuing **Masters of Arts in Monitoring and Evaluation (MA M&E)**.

We hereby grant this clearance to conduct a research titled "**The impact of village saving and lending associations to economic empowerment of women at Chanika ward**". She will collect her data at your area from 1<sup>st</sup> October to 10<sup>th</sup> October 2022.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820. We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

THE OPEN UNIVERSITY OF TANZANIA



Prof. Magreth S. Bushesha

For: VICE CHANCELLOR