**THE CONTRIBUTION OF GOVERNMENT EMPOWERMENT LOANS TO WOMEN LIVELIHOODS IN TANZANIA: A CASE STUDY OF RUNGWE DISTRICT COUNCIL**

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN MONITORING AND EVALUATION**

**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 of this research project about “**The Contribution of Government Empowerment Loans to Women Livelihoods in Tanzania: A Case Study of Rungwe District Council”** for partial fulfillment of the requirements for the Master of Arts in Monitoring and Evaluation at the Open University of Tanzania.

……………………………………….

Prof. Emmanuel Nyankweli

(Supervisor)

…………………………………….

Date

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# **DECLARATION**

I, **Daniel Filbert Nyamhanga** certify that this dissertation is my original work, and that it has not been submitted for a similar degree in any other University. I also declare that this research report does not draw from any other work prepared under consultancy or other professional undertaking, by myself or jointly with other authors.

# 



# ……………..……………………

# Signature

06November, 2023

…………………..……………...

Date

# **DEDICATION**

This study is dedicated to my beloved family who has been the greatest source of my inspiration, thank you for the encouragement, support and continuous inspirations throughout this endeavor. May Almighty God always bless you.

# **ACKNOWLEDGEMENTS**

First, I would like to give thanks to God Almighty for bringing me this far in life and for giving me the opportunity to commence and complete my second degree.

I also would like to give thanks to my supervisor, Prof. Emmanuel Nyankweli for his great support and encouragement to the accomplishment of this work. I would like to acknowledge his great assistance to me through his guidance, advice, corrections and mentorship.

In a very special way I would like to express my sincere gratitude to my beloved wife for her love, prayers and support. I’m expressing my special thanks for her spiritual, moral and financial support. Lastly, I would like to extend my appreciation for the assistance, guidance, and facilitation to my lecturers and fellow students for giving me great cooperation which helped me as a researcher to accomplish my research from the beginning to the final stage.

# **ABSTRACT**

The study aimed to assess the contribution of government empowerment loans to women livelihoods in Tanzania, specifically in Rungwe district. The researcher adopted survey research design and sampled 120 women who were benefited from empowerment loans and 10 government officers who were responsible for providing and processing the empowerment loans were interviewed by the researcher. Findings revealed that government empowerment loans in Rungwe District Council, Tanzania, have the potential to significantly improve women's livelihoods, particularly among women's groups engaged in entrepreneurship, income diversification, and empowerment activities. However, there is a need for more effective awareness campaigns, as some of respondents were unaware of the program. Challenges such as complex application procedures and limited education among beneficiaries hinder access. In conclusion, streamlining loan processes, enhancing communication strategies, and providing financial education are recommended to maximize the program's impact. Further research is encouraged to refine strategies and promote more equitable and sustainable socio-economic development in the district.

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## LIST OF ABREVIATION

ANSAF : Agricultural Non-State Actors Forum

CSOs : Civil Society Organizations

KMO : Kaiser-Meyet-Olkin

LGAs : Local Government Authorities

MFI : Microfinance Institutions

PO-RALG : President’s Office, Regional Administration and Local Government Tanzania

PWDs : Persons with Disabilities

SACCOS : Savings and Credit Co-Operative Society

SPSS : Statistical Package for Social Science

UNA : United Nation Association

URT : United Republic of Tanzania

VAT : Value Added Tax

WDF : Women Development Fund

# CHAPTER ONE

# INTRODUCTION OF THE STUDY

# 1.1 Chapter Overview

This chapter focused on the introduction of the study, background of the problem, statement of the problem, research objectives, research questions, significance of the study, scope of the study and limitations of the study.

# 1.2 Background of the problem

The seed money for women, youth and special groups was first introduced by parliamentary resolution of 1993 that aimed at uplifting economically disadvantaged groups of women and youth with no access to loans issued by financial institutions due to lack of collateral. However, despite the resolution, local council empowerment loans were allocated at five percent for women and five percent for youth, leaving out special groups and were issued with interest of one percent.

Women represent 70% of the world’s poor due to unequal access to economic opportunities in both developed and developing countries (Tshuma and Selome, 2014). Internationally, there is a link between poverty alleviation in countries and the development of their female human capital. Although economic progress can improve the status of women, it is also true that a country cannot sustainably develop if its women are left behind. Focusing on women in the provision of credit assistance can achieve more rapid pro-poor economic growth than gender neutral policies.

United Nation Association (UNA) of Tanzania submitted to President’s Office, Regional Administration and Local Government Tanzania (PO-RALG) timely needed recommendations collected from 17 districts in the country. These recommendations were gathered from women, youth and people with disability and duty bearers. The recommendation informed the need for enhancement and ensure effectiveness in the governance of local government, empowerment of own source revenue as loans to groups of women, youth and people with disabilities.

In the past 3 years United Nations Association of Tanzania has been engaging in advocacy work at national policy level to ensure effective administration of the 10%  Empowerment Loans for Women, Youth and People with Disabilities groups at Local Government Authorities in Tanzania, with special interest in the youth 4% that goes to youth, but all the 10 % cuts across different groups of youth because women can access the other 4% and young people with disabilities  can access the 2% allocated for people with disabilities. We have worked with the parliamentary youth groups, OR-TAMISEMI, Civil Society Organizations (CSOs) and the department of youth in the prime minister’s office.

In 2018, UNA Tanzania conducted a survey of 17 districts documenting success stories, challenges and recommendations from beneficiaries, Local Government Authorities (LGAs) and stakeholders working with young people in the 17 districts. The survey revealed that there was lack of universality in the administration of the 10% within the districts, different standards and interpretations of the law. Thus, the need to have the guidelines that will interpret the laws and regulations for smoother governance of the funds.

Government funds are funds provided by government to support economic empowerment initiatives through Economic Empowerment Fund, Youth Development Fund and Women Development Fund (WDF) so as to provide capital for citizens United Republic of Tanzania (URT), (2013). The government of Zimbabwe, through the ministry of Woman Affairs, set up a Women Development Fund (WDF) which goes in line with the millennium development goal number three which is to promote gender equalities in all level of education and empower women. This fund was set up to support women who were already entrepreneurs and those who wanted to start income generating projects. The objective of the fund was to empower and capacitate disadvantaged women by providing collateral free loans. The provision of such credit schemes by the government of Zimbabwe is in line with the global practice (Datta, 2018).

Tanzania has experienced tremendous growth due to the increased number of firms engaging in microfinance services including banks and other profit-oriented firms (Holloway et al, 2013).For the majority of Tanzanians whose incomes are very low, access to microfinance services have offered the possibility of running scarce household and enterprise resources more efficiently, protection against risks, provision for the future, and taking advantage of investment opportunities for economic earnings (Holloway et al,2018).In short Microfinance institutions (MFI) serve the financial needs of the poor Tanzanian population. However, still 56% of the population in Tanzania has no access to financial services; a quantity that has slightly developed over the last few years (Sundström, 2017).

The Government Empowerment Loan initiative in Tanzania has played a significant role in enhancing women's livelihoods across the country. By providing access to financial resources and support for women entrepreneurs and small business owners, this program has contributed to economic empowerment and poverty reduction. These loans have had a positive ripple effect on the overall well-being of families and communities, as women invest in education, healthcare, and other essential needs (Swalehe, 2020). The Government Empowerment Loan has thus become an essential tool in advancing gender equality and socioeconomic development in Tanzania. Thus, this study aimed to assess the contribution of governments’ empowerment loans to women livelihoods in Rungwe District Council in order to fill the existed gaps.

# 1.3 Statement of the Problem

In order to increase the confidence, voices and economic empowerment of women, youth and special groups, Tanzania’s Local governments have been allocating 10% of their budget revenues, which is given to vulnerable groups as interest free loans. Although private financial institutions administer the loans, the government’s involvement sends a message that it is government of all people, for the people and by the people.

For the year 2015/16 the allocated amount was Tsh. 5,000,000/= whereby the disbursed amount was Tsh. 2,000,000/=, for the year 2016/17, Rungwe district collected more than Tsh.500million in revenue, its 10% was Tsh. 50million and the actual disbursed amount was Tsh. 36,000,000/=. For the years 2017/18 the budget allocated was Tsh. 75,000,000/= and the disbursed amount was Tsh. 68,000,000/=, for the year 2018/19 the budget allocated for empowerment was Tsh. 248,652,687/= and the disbursed amount was Tsh. 243,000,000/=, for the year 2019/20 the allocated amount was Tsh 258,040,642/= and the disbursed amount was Tsh. 257,000,000/=. For the year 2020/21 the allocated amount was Tsh 350,250,000/= and the disbursed amount was Tsh 325,040,640/=. Therefore, from the year 2015 to the year 2021 the total allocated amount was Tsh. 986, 943, 329/= and the total disbursed amount was Tsh. 931,040,640/= whereby those disbursed amounts benefited a total of 129 groups of youths with total number of 2,029 individuals, a total of 224 groups of women with total individuals of 3,634 and 11 groups of special groups with a total of 114 individuals. To sum up in Rungwe district the project from 2015 to 2021 has benefited a total number of 364 groups with a total number of 5,777 individuals (Rungwe District Council Office, 2022)

Despite the Government Empowerment Loan initiative in Tanzania, aimed at economically uplifting disadvantaged groups including women, several challenges and disparities persist in the allocation and administration of these funds within local government authorities. The allocation of only five percent for women with interest rates of one percent. Moreover, the lack of universality in fund administration, varying interpretations of the law, and different standards across Rungwe district have hindered the equitable distribution and impact of these loans. This study sought to address these issues by assessing the contribution of government empowerment loans to women's livelihoods in Rungwe District Council.

# 1.4 Study Objectives

# 1.4.1 General Objective

The main objective of the study was to assess the contribution of government empowerment loan to women livelihoods in Tanzania.

# 1.4.2 Specific Objectives

The study was guided by the three specific objectives which are;

1. To examine the community awareness of the government empowerment loan to women in Rungwe District Council.
2. To determine the effectiveness of government empowerment loan on livelihood improvement in Rungwe District Council.
3. To examine the challenges facing women on acquiring the government empowerment loan in Rungwe District Council.

# 1.5 Research Questions

1. How is the community awareness of the government empowerment loan to women in Rungwe District Council?
2. How is the effectiveness of government empowerment loan on livelihood improvement in Rungwe District Council?
3. What are the challenges facing women on acquiring the government empowerment loan in Rungwe District Council?

# 1.6 Significance of the Study

To the government; the findings of this study would help the whole government system including the Ward Council, Districts Council, Municipal Council, and City Council to evaluate the performance of government development funds on the economic welfare of the community in general.

To the community; the study would encourage women to become entrepreneurs and create employment opportunities not only for themselves but also for others in their communities. When women succeed in their businesses, they often hire local workers, thus stimulating economic activity and reducing unemployment rates.

To the researchers; The study would be a fundamental for other researchers to conduct other related studies thus this study would act as a base for other researchers. For the academic purpose this study is the requirement for the Masters of Arts in Monitoring and Evaluation.

# 1.7 Scope of the Study

Geographically the study was carried out in Rungwe District Council which is located in Mbeya region, Tanzania. It is bordered to the north by Mbeya Rural District, to the east by Iringa Region, to the southeast by Kyela District, to the southwest by Ileje District and to the west by Mbeya District, the coverage of the study was only dealing with the allocation of empowerment loans to women only.

# 1.8 Structure of the Study

The document is structured into five chapters. Chapter one offers an overview of the research, encompassing details about the research problem, study objectives, research questions, significance, scope, and limitations. In chapter two, the content spans conceptual explanations, a review of relevant theoretical literature, empirical studies, and the presentation of conceptual frameworks. Chapter three delves into the research design, study location, sampling methodologies, data sources, data collection procedures, data processing and analysis techniques, and assessments of validity, reliability, and ethical considerations. Chapter four is dedicated to the presentation and discussion of the outcomes derived from the analyzed data. Lastly, chapter five encapsulates the study by providing conclusions drawn from the research findings and offering recommendations based on these insights.

# CHAPTER TWO

# LITERATURE REVIEW

## **2.1 Chapter Overview**

This section consisted of review of related literature. The section covered introduction, definition of key terms, theoretical literature reviews and empirical literature review on the study about impact of empowerment loans from the government to women livelihoods in Tanzania.

## **2.2 Definition of Key Concepts**

## **2.2.1 Government Empowerment Loan**

A Government Empowerment Loan is a financial assistance program established and administered by a government to provide loans to individuals or groups, often from disadvantaged or marginalized segments of the population, to support their economic empowerment and self-reliance (Jack & Suri., 2016).

## **2.2.2 Women Livelihood Improvement**

Refers to efforts and initiatives aimed at enhancing the economic, social, and overall well-being of women, particularly those in underserved or disadvantaged communities. This improvement encompasses various aspects of women's lives, including income generation, employment opportunities, access to education and healthcare, and the development of essential life skills (Jack & Suri., 2016).

## **2.3 Theoretical Literature Review**

## **2.3.1 Human Capital Theory**

Human capital theory, initially formulated by Becker (1962) and Rosen (1976), argues that individual workers have a set of skills or abilities which they can improve or accumulate through training and education. Human Capital Theory asserts that investing in education and skill development enhances an individual's productivity and income-earning potential. It views people as assets, and the theory suggests that acquiring knowledge and skills not only benefits individuals but also contributes to economic growth and prosperity in society. In essence, it emphasizes the long-term value of education and training in improving people's economic well-being and their ability to adapt to changing labor market dynamics.

The Human Capital Theory has significant implications for the study on the contribution of government empowerment loans to women's livelihood. Understanding how these loans impact the human capital development of women, particularly in terms of education and skill enhancement, is crucial. The theory suggests that investments in education and training can lead to higher productivity and income, which, in the context of this study, may mean that government empowerment loans should be designed to not only provide financial resources but also focus on skill-building and educational support for women. This could result in more sustainable improvements in women's livelihoods, aligning with the principles of the Human Capital Theory.

## **2.3.2 Strength and Weakness of Empowerment Theory**

Human Capital Theory has ability to provide a robust framework for understanding the link between education and economic outcomes, its emphasis on the long-term benefits of investments in human capital, and has relevance in explaining the relationship between skill development and economic growth. This theory offers a clear rationale for education and training, showing how they contribute to increased productivity and income, also it valuable for policymakers and individuals alike. Furthermore, it focuses on human capital as a driver of economic growth underscores the importance of a skilled and educated workforce in the development of nations, making it relevant in both micro and macroeconomic contexts.

Major weaknesses of the Human Capital Theory are its potential oversimplification of the complex relationship between education and earnings, its limited consideration of non-economic factors that influence career choices and life outcomes, and its inability to address systemic inequalities in access to education and training. The theory tends to assume a direct and linear connection between education and income, which may not account for various external factors that impact an individual's success in the labor market. Furthermore, it often overlooks social and cultural factors, as well as discrimination and barriers that certain groups may face in accessing quality education and training opportunities.

Despite its weaknesses, the Human Capital Theory remains influential and valuable due to several reasons. It provides a structured framework that helps in understanding the general relationship between education, skills, and economic outcomes. While it may oversimplify the connection between education and earnings, it still offers a useful starting point for examining the impact of human capital development on individual economic success and overall societal growth.

## **2.3.2 Overview of Allocation of empowerment loans in Tanzania**

The Youth Development Fund was initiated by the Government in the financial year 1993/94 as stipulated in section 17(1) of "The Exchequer and Audit Ordinance “section 439(21) of 1961.The purpose of this Fund was to help young people access affordable loans and build their economic capabilities. This in turn can strengthen their projects with a view of empowering themselves and promoting the economy of the country. At the beginning, lending to individuals within a group occurred in sequence 3, no collateral was required and the nominal rate of interest was roughly 12%. Due to poor repayment and management, the government decided to change the procedures in 2013 so that loans are disbursed through youth projects approved jointly by the Ministry of Youth, Culture and Sports together with respective regional and district authorities (Agricultural Non-State Actors Forum (ANSAF)., 2019).

With this new procedure, it was stipulated that the loan to the youth should be mobilized through different sources. One of them was for the LGAs to bolster the fund from their own sources. It was directed through budget guideline that each LGA has to direct 10 percent of income from district own sources to youth (5%) and women (5%). Recently the distribution was revised to four percent for women, four percent for youth and two for people with disabilities. Despite the changes in the fund administrative procedures, it was not clearly stated how many youths, women and people with disabilities were actually accessing the funds and for which project activities. It was this observation that prompted ANSAF to assess LGAs capacity to mobilize own source funds and allocate 10 percent to support initiatives for and by women, youth and people with disabilities (ANSAF, 2019).

## **2.4 Empirical Literature Review**

## **2.4.1 Community Awareness of Government Empowerment Loans to Women**

Jack (2016) on his Helpdesk Research Report entitled: Access to community awareness about empowerment loans from the government founded that.  
The range of interventions relevant to this question is extremely broad, and this review therefore presents a limited number of people who are aware about the government system on providing empowerment funds to women, youths and special groups. He continued by saying that the interventions aimed at increasing access to economic opportunities mostly exists in relation to women’s empowerment, and even then the impacts are rarely expressed in terms of power relations. In this review the bulk of the interventions presented are aimed at women, youths and special groups (who are also often further marginalized by their location and class).

Economic empowerment is thought to allow poor people to think beyond immediate daily survival and to exercise greater control over both their resources and life choices. For example, it enables households to make their own decisions around making investments in health and education, and taking risks in order to increase their income (Schaner,2018). There is also some evidence that economic empowerment can strengthen vulnerable groups’ participation in the decision-making. For example, microfinance programmes have been shown to bolster women’s influence within the household and marketplace. The evidence also suggests that economic power is often easily ‘converted’ into increased social status or decision-making power.

Poor people’s involvement in local associations and inter-community cooperation mechanisms can contribute to social empowerment by improving their skills, knowledge and self-perception. Local associations also act as self-help mechanisms through which poor people organize their economic activities, such as farming cooperatives, or microfinance groups (Houtzager et al, 2010).

According to DeMel (2019) women, youths in groups and individually have introduced LGAs that support them in groups and independently to attain permanent revenue in which part of it is consumed and another is saved as that in turn supports to initiate new microenterprises or expand the existing micro enterprises. Loan service provided ensures justifiable consumption outflow at households’ level and increase households ‘welfare.

Government empowerment loan size is used as a plan to reduce income poverty in the country because it assisted household to generate an average income of 226,952.00 Tanzania shillings from LGAs per month which sustain 5.6 people as an average household size in district, and 4.5 nationally.

## **2.4.2 Effectiveness of Government Empowerment Loans on Women Livelihood Improvement**

There was no unified date when all the councils started setting aside money for women, youth and special groups. This was due to differing date of formation of the LGAs themselves. Some LGAs were pretty young while others were considerably old. Therefore, between 1993 and 2000, about 44% of the LGAs had been setting aside 10 percent for the Youth and Women and other years followed (ANSAF., 2019).

The percentage has been set aside by the LGAs for each of the three groups but women are the ones who have benefited the most with the loans, at an average of 4.31% of LGA revenues set aside for them. Youth follow with 3.77% while people with disabilities received an average of 0.48% for the past three years. Eleven of the 25 LGAs (44%) did not start offering loans to Persons with Disabilities (PWD) groups as of the time of the study. These LGAs are Mvomero, Bukoba Urban, Momba, Babati, Njombe,Mufindi, Longido,Bukombe, Bariadi, Tandahimba and Iringa Rural.

The Loans amount asked are mostly between TZS 1,000,000/- and TZS 5,000,000/-, which constituted 48% of loans issued to the surveyed groups. Loans that were TZS 1,000,000/- or less constituted 28% and loans that were TZS 5,000,000/- or above constituted the remaining 24%. However, TZS 10,000,000/-was the highest amount issued, no group reported to have received a loan beyond TZS 10,000,000. Agricultural activities were the leading applicants ‘businesses. Combined, animal husbandry, apiculture, cultivation (which includes horticulture) and direct processing of agricultural produce constituted 61% of businesses. The funds invested into projects are diverse (ANSAF, 2019)

There has been no exact time for loan processing but averagely it takes two months and two weeks to get a loan. Some loans were issued within 14 days from application date, and yet another took two years. It looks like there is no specific period defined, but each LGA deals with each loan request separately. Some LGAs (especially in the Southern Highlands zone) issue loans on quarterly basis –so any request that comes in between quarters will have to wait until next loan disbursement period.

According to ANSAF (2019) All LGAs issue loans to groups only and loans are deposited to the group’s bank account. This was confirmed by all beneficiaries. No loans have been issued through Savings and Credit Co-Operative Society (SACCOS) as some directives require to do so. Beneficiaries expressed concern over unclarity on how LGA officers estimate the amount loan a specific group can recoup. 65% of groups recommended that LGAs should disburse the amount of loan applied as opposed to the current practice where the amount issued is far less than the amount applied. It was further leant that some LGAs have asked commercial banks to administer the loan portfolio on their behalf. The commercial banks require fixed assets as collateral.

## **2.4.3 Challenges Facing the Women on Acquiring the Government Empowerment Loan**

According to Ashraf (2020) Among the challenges includes the failure of LGAs to allocate 10 percent of their own source revenue to groups of women, youth and PWDs, financial inequalities among LGSs which reduces the overall allocation of the fund and in some instances, LGS’s competing priorities. Furthermore, the current capacity of community development departments at LGA level to process, manage and recover the loans and provide business development services to beneficiaries; short period of paying back the loans and lack of lenient mechanism in group formation particularly for people with disabilities.

As in every business project faces certain challenges, some within their capabilities to tackle, and some that needed interventions from local or central governments. Three most responses from 97 groups indicated that access to/or availability of markets for their produce was the main challenge.54 groups said loan procedure was a challenge while 55 groups said loan repayment schedules were not realistic based on the type of their businesses. For instance, monthly repayment schedule was not realistic for a paddy growing group. Experience show that such repayment schedules frustrate farmers. It would be better to set the schedules against harvest seasons when farmers are selling their crops (ANSAF, 2019).

Another challenge is that since the groups has been received funds as a loan to which they must payback, it was necessary but it does not seem that they receive some sort of trainings on how to manage the loan, run their projects profitably so that they are able to pay back the loans. When asked whether or not they received any training before or immediately after getting the loan.

Ashraf (2020) found that due to cultural norms and prejudice toward women and PWDs in Tanzania, these groups have been limited in their employment opportunities, education, and access to financial opportunities.

According to research done in 2015 by the British Council in Tanzania and named Youth Voices in Tanzania, over half of youth are fearful that they will not achieve their dreams, while almost one quarter mentioned financial security as one of their biggest fears. There is a high dependency and poverty rate among these groups and as a result, their participation in governance and political processes has also been very low.

## **2.5 Research Gap**

The existing literature review provides valuable insights into the awareness of government empowerment loans among women, the effectiveness of such loans on women's livelihood improvement, and the challenges they face in accessing these loans. However, a noticeable research gap is the lack of a comprehensive assessment of the long-term impact and sustainability of the economic empowerment achieved through these loans. While the literature outlines the benefits of these loans, it does not delve into the enduring effects on women's economic well-being and their ability to break the cycle of poverty in the long run. Furthermore, there is a gap in understanding how these loans might address broader gender disparities and social inequalities, particularly in terms of decision-making power and social status. A more in-depth examination of the sustained impact of government empowerment loans on women's livelihoods and their broader empowerment is necessary to provide a comprehensive understanding of the subject.

## **2.6 Conceptual Framework**

The conceptual framework is the relationship between dependent variables and independent variables. In this study the dependent variable is women livelihood improvement and the independent variable is impact of government empowerment loan. The relationships among variables of the study are presented here below in Figure 2.1

* **Community Awareness of the Government Empowerment Loan**
* **Effectiveness of Government Empowerment Loans.**
* **Challenges for Acquiring Government Empowerment Loans**

**Independent variables**

**Source:** A Researcher, 2022

Figure 2. 1 Conceptual Framework Preview

# CHAPTER THREE

# RESEARCH METHODOLOGY

# 3.1 Chapter Overview

This chapter presented research methodology which was used in data collection and processing; those methodologies included, research approach, research design, study area, sampling, types of data, methods of data collection and data analysis procedures that were used in a study.

# 3.2 Research Approach

The study involved both quantitative and qualitative approach in data collection. Using a combination of qualitative and quantitative improved an evaluation by ensuring that the limitations of one type of data were balanced by the strength of another. Under qualitative approach provided data that were be descriptive and quantitative approach described the quality or characteristics of the data.

# 3.3 Research Design

Research design is defined as a program to guide the researcher in collecting, analyzing and interpreting observed facts (De Vaus, 2001). The study employed survey design. Surveys design represents one of the most common types of quantitative and qualitative in social science research. In survey research, the researcher selected a sample of respondents from a population and administered a standardized questionnaire to them. The questionnaire was written in document that had to be completed by the respondents of the area which was being surveyed. Using survey design enabled a researcher to collect, analyze, and interpret data from large or small populations for a short period of time.

# 3.4 Study Area

The study was conducted in Rungwe District Council in Mbeya Region on assessing the allocation of empowerment loans from the government to women in Tanzania. Rungwe District Council was chosen as the case study because there has been existence of many women groups which are targeted for empowerment loans so it was easier to acquire actual data from this area due to the high presence of such respondents. The district's robust presence of these groups made it an ideal setting to gather empirical data and conduct a detailed assessment of the practical implementation and impact of these loans on women's livelihoods, making it a suitable and relevant case study location.

Top of Form

# 3.5 Sample Size and Sampling Technique

# 3.5.1 Sample Size

The sample size in this study was calculated by using a rule of thumb of sample calculation, which states that a good maximum sample size is usually around 10% of the population, as long as this does not exceed 1000. For the large population minimum sample size 100 and for small population minimum sample size is 20 to 50. (Burmeister & Aitken, 2012). The decision to use a rule of thumb for sample calculation in this study was based on practical considerations and resource constraints. Given the limited resources and time available, a rule of thumb approach was deemed suitable to estimate an adequate sample size. Therefore, the study involved a total sample size of 130 respondents.

# 3.5.2 Sampling Technique

This is the process of selecting representatives (samples) that is drawn from

population by using several sample techniques (Davis., 2000). Sampling were used because it was difficult to gather the entire population for data collection. Sample were categorized according to the position of the respondents, in this study sampling techniques which were be used were systematic randomly and purposive sampling.

# 3.5.2.1 Systematic Random Sampling

Systematic random sampling is a probability sampling method where researcher select members of the population at a regular interval. In this technique different respondents which were from the targeted groups were systematic selected to represent other group members instead of taking every individual in a group, a total of 120 respondents were systematic selected from women groups of beneficiaries whereby the head of beneficiary household was selected. Systematic random sampling was chosen as the method for participant selection in this study because of its efficiency and representativeness. This approach minimizes the risk of selection bias and provides a structured, straightforward process for data collection, making it a practical choice for a research study of this scope.

# 3.5.2.2 Purposive Sampling

Purposive sampling technique was employed in the selection of government officers who were responsible for the provision and processing of empowerment loans who were found in the study area on the day of data collection. Those government officers which was used in this study included Rungwe District Director (1), District Accountant (1), District Community Development Officer (1), Monitoring and evaluation officers (3), Chairman of District Board (1) as well as Ward Development Officers (3). The number of individuals who were involved in purposive sampling was 10.

# 3.6 Type of Data

Data are the facts, observation or experience on which an argument, theory or test is based. Data may be numerical, descriptive, and visual or tactile (Borgman, 2010). The data which were used in this study included both primary data and secondary data.

# 3.6.1 Primary Data

Primary data are first hand data collected by the researcher through various methods such as interview and Questionnaire. In this study primary data were collected from women who are the beneficiaries of empowerment loans and government officers who are responsible for the provision and processing of empowerment loans.

# 3.6.2. Secondary Data

This is the type of data that involved of published (documented) and non-published (non-documented) materials like government reports such as meetings reports, journals, newspaper, and internet sources. In this study secondary data was obtained from internet and related journals.

# 3.7 Method of Data Collection

This is the point which identifies the tools or instruments used by researchers to collect information from the study area. The method that was used to obtain information in this study was questionnaire and interview methods.

# 3.7.1 Questionnaire

Are list of prepared questions which are to be answered by the number of respondents with the intention of collecting information or data. Closed ended and open ended questions were used to collect data from women groups which are beneficiaries of empowerment loans from the government.

# 3.7.2 Interview

This is the collection of information from a person through a systematic and structured format (Brinkman, 2008). The study used interview method for the collection of information from the government officers who are responsible for the provision and processing of empowerment loans.

# 3.8 Data Analysis Procedures

Kothari (2004) defined data analysis as a process which implies, editing, lording, classifying and tabulation of collected data. The data were analyzed qualitatively and quantitatively. The use of data analysis procedure put research project in perspective and assists in testing hypotheses.

# 3.8.1 Analysis of Qualitative Data

The qualitative method of data collection was used because qualitative methods involved the use of words rather than numbers; the methods involved descriptions of the study and this help to go beyond conceptions and generate and revise frameworks. This approach helped the researcher to generate quality information that gives explanation to numbers. The initial data which were collected was subjected to quality checks, to ensure that the recordings were correctly done with minimal errors.

# 3.8.2 Analysis of Quantitative Data

This involved on the use of tables and numerical in the process of data analysis, and the qualitative method help on the analyzing data in order to get efficiency and accurate data which were collected from the field as well as to identify some errors arisen during data collection process.

# 3.8.3 Validity and Reliability

# 3.8.3.1 Validity

According to Borg and Gall (2009), validity is the degree to which a test measures what it supposed to measure. In this research a pre-testing pilot study was conducted by administering the questionnaires to a few respondents in order to ensure that they are carefully developed, tested and the questionnaires’ appropriateness and generalization to the topic is too validated by respondents. Moreover, the researcher measured the validity of the study using Kaiser-Meyet-Olkin (KMO) and Bartlett’s Test of sphericity using the Statistical Package for Social Science (SPSS).

# 3.8.3.2 Reliability

To ensure reliability Cronbach’s alpha (α) analysis was employed to test the reliability of the predictor variables where the range Cronbach’s coefficient is shown on Table 3.1. Cronbach’s α analysis is a useful way of determining internal consistency and homogeneity of groups of items and questionnaires (Crowther and Lancaster, 2008).

Table 3. 1 Range of Cronbach's coefficient

|  |  |
| --- | --- |
| **Reliability** | **Range** |
| Unreliable | α≤ 0.30 |
| Barely reliable | 0.30 < α ≤ 0.40 |
| Slight reliable | 0.40 < α ≤ 0.50 |
| Reliable (most common range) | 0.50 < α ≤ 0.70 |
| Very reliable | 0.70 < α ≤ 0.90 |
| String reliable | α > 0.90 |

**Source:** Wu, Yu, & Weng (2012)

# 3.9 Ethical Consideration

The researchers sought permission letter from the university (Open University of Tanzania) in order to allow in collecting data. The researcher never included the names of the respondents, furthermore the researcher explained the purpose of research to the respondents along with permission letter from OUT to respondents before starting data collection process.

# **CHAPTER FOUR**

# **RESULTS, FINDINGS AND DISCUSSION**

# **4.1 Introduction**

This chapter presents the data analysis and findings derived from the study on the impact of empowerment loans from the government to women livelihood in Tanzania. The use of tables has simplified data presentation, discussion, and interpretation of results. This chapter intends to answer specific research objectives which are; to examine the community awareness of the empowerment loans from the government in Rungwe District Council, to determine if the effectiveness of empowerment loan on livelihood improvement in Rungwe District Council and to examine the challenges facing those targeted groups on acquiring the empowerment loans in Rungwe District Council. Therefore, this chapter presents the general data collected from the study area by following the guide from research questions.

# **4.2 Socio-demographic** **Characteristics of Respondents**

This section provides general information about the respondents' socio-demographic characteristics, including their gender, age, and level of education. These characteristics offer insights into the profile of the participants in the study. The socio-demographic information of the respondents serves as a foundation for understanding how the empowerment loans may have impacted women of different backgrounds and educational levels in Rungwe District Council.

# 4.2.1 Gender of Respondents

The study included participants from various backgrounds, and the gender of the respondents was a crucial factor in understanding the impact of empowerment loans on women's livelihood in Rungwe District Council. Table 4.1 shows the distribution of respondents by gender;

Table 4. 1 Distribution of Respondents by Gender

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Gender** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Male | 0 | 0 | 0 | 0 |
| Female | 120 | 100.0 | 100.0 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.1 presents the percentage distribution of respondents by gender in the study. Out of the 120 participants, all of them were female, constituting 100% of the sample. There were no male respondents in the study. This gender distribution indicates that the research focused exclusively on women, reflecting the specific target group of the government's empowerment loan program. The fact that there were no male respondents suggests that the study was designed to assess the impact of these loans on women's livelihoods in Rungwe District Council. This gender-focused approach highlights the importance of addressing gender disparities and empowering women through financial support, as they often face greater challenges in accessing credit and starting businesses.

# 4.2.2 Age of Respondent

The age of the respondents was a critical demographic factor examined in the study to gain insights into the specific age groups impacted by the government's empowerment loans on women's livelihood in Rungwe District Council. Table 4.2 shows the distribution of respondents by age groups;

Table 4. 2 Distribution of Respondents by Age Groups

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Age group** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| 0-20 Yrs. | 13 | 10.83 | 10.83 | 10.83 |
| 21-40 Yrs. | 54 | 45.0 | 45.0 | 55.83 |
| 41-60 Yrs. | 48 | 40.0 | 40.0 | 95.83 |
| 61+ Yrs. | 5 | 4.17 | 4.17 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.2 provides the distribution of respondents by age groups. The age groups were categorized into four ranges: 0-20 years, 21-40 years, 41-60 years, and 61 years and above. Among the 120 respondents, the majority (45.0%) fell within the age range of 21-40 years, followed by 40.0% in the 41-60 years age group. The 0-20 years age group comprised 10.83% of the respondents, while those aged 61 years and above represented 4.17%. These findings demonstrate that the study encompassed a diverse range of age groups, allowing for a comprehensive analysis of how empowerment loans impact women of different age brackets in the district. The higher representation of women aged 21-40 and 41-60 suggests that these two age groups might be more actively seeking and benefiting from the empowerment loans, possibly due to their increased involvement in income-generating activities and entrepreneurship. On the other hand, the lower representation of women in the 0-20 and 61+ age groups could indicate the need for targeted efforts to ensure that young and older women also have access to and can benefit from such financial support.

# 4.2.3 Education Level of Respondents

The education level of the respondents played a significant role in the study, as it allowed for an examination of how the impact of government empowerment loans on women's livelihood in Rungwe District Council varied across different educational backgrounds, the table 4.3 shows the distribution of respondents by education level;

Table 4. 3 Distribution of Respondents by Age Groups

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Education Level** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Primary | 41 | 34.17 | 34.17 | 34.17 |
| Secondary | 32 | 26.67 | 26.67 | 60.84 |
| Cert/Dip | 25 | 20.83 | 20.83 | 81.67 |
| Degree | 22 | 18.33 | 18.33 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.3 presents the distribution of respondents by education level in the study on the impact of government empowerment loans on women's livelihood in Rungwe District Council. Among the 120 respondents, the largest proportion 34.17% had completed primary education, followed by 26.67% with secondary education. Those with a Certificate/Diploma constituted 20.83%, while 18.33% had attained a Degree. These findings indicate a diverse representation of educational backgrounds among the respondents. The higher representation of respondents with primary and secondary education suggests that these groups are more likely to benefit from the loans, possibly due to their relatively higher participation in income-generating activities and entrepreneurial ventures.

# 4.3 Community Awareness of the Government Empowerment Loan to Women

The first objective of the study was to examine the community awareness of the empowerment loan provided by the government in Rungwe District Council, Tanzania. To achieve this, two questions were included in the questionnaire. The first question asked respondents whether their community is aware of the empowerment loan from the government, with response options "Yes" and "No." The second question inquired whether the respondents had ever heard any government campaigns concerning the empowerment loan, with response options "Yes" and "No." These questions aimed to gauge the level of knowledge and familiarity among the community members regarding the government's empowerment loan program and the effectiveness of any related promotional campaigns conducted by the government.

# 4.3.1 Community Awareness

Assessing the level of community awareness on the empowerment loan provided by the government is crucial to understanding the effectiveness of communication and outreach efforts in promoting the program's accessibility and potential impact on women's livelihood in Rungwe District Council, Tanzania. Table 4.4 shows the distribution of respondents on community awareness;

Table 4. 4 Distribution of Respondents by Community Awareness

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Yes | 25 | 20.83 | 20.83 | 20.83 |
| No | 95 | 79.17 | 79.17 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.4 presents the distribution of respondents by community awareness of the empowerment loan provided by the government in Rungwe District Council, Tanzania. Out of the 120 respondents, 20.83% indicated that their community was aware of the empowerment loan, while the majority, 79.17%, reported that their community was not aware of the loan program. These findings highlight a significant gap in the level of awareness about the government's initiative to provide empowerment loans. The relatively low percentage of respondents aware of the program suggests that there may be challenges in effectively disseminating information about the loan scheme to the target population. This lack of awareness could hinder eligible women from accessing the loans and benefiting from the financial support aimed at enhancing their livelihoods. The results underscore the need for more robust and targeted communication strategies, including awareness campaigns and outreach programs, to increase community knowledge and engagement with the empowerment loan program.

# 4.3.2 Government Campaigns on Empowerment Loans

In this section the question inquired whether the respondents had ever heard any government campaigns concerning the empowerment loan. Regarding this question, the study explored the extent of government campaigns concerning empowerment loans to assess the effectiveness of promotional efforts in increasing awareness and participation in the loan program aimed at empowering women's livelihood in Rungwe District Council. Table 4.5 shows the distribution of responses of the respondents;

Table 4. 5 Distribution of Respondents by Community Awareness

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Yes | 13 | 10.83 | 10.83 | 10.83 |
| No | 107 | 89.17 | 89.17 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.5 displays the distribution of respondents by their awareness of government campaigns concerning empowerment loans in Rungwe District Council, Tanzania. Out of the 120 respondents, only 10.83% reported that they had heard government campaigns specifically related to the empowerment loan program, while the vast majority, 89.17%, had not come across any such campaigns. These findings indicate a significant disparity in the reach and effectiveness of government promotional efforts. The low percentage of respondents who have heard about the campaigns suggests that the government's initiatives to raise awareness about the empowerment loan program may not have been adequately reaching the target population. Insufficient promotion of the loan program hinders potential beneficiaries from accessing financial support and opportunities for livelihood improvement. To enhance the impact of the program and empower more women, it is crucial for the government to invest in more comprehensive and targeted awareness campaigns.

During interview, Chairman of District Board noted saying that;

*“Every quarter of the year campaigns about the empowerment loan from the government are conducted in Rungwe district which specifically targets women, youths and people with disabilities”*

The provided statement indicates that in Rungwe district, campaigns focusing on the government's empowerment loan program are organized every quarter of the year. These campaigns have a specific emphasis on women, youth, and individuals with disabilities. This proactive and regular approach to promoting the empowerment loan program underscores the district's commitment to ensuring awareness and accessibility for diverse target groups. By conducting targeted campaigns at regular intervals, the government aims to reach a broad spectrum of beneficiaries, including women, youth, and people with disabilities, thereby enhancing the inclusivity and effectiveness of the program in fostering economic empowerment and social well-being within the community.

The findings in this study regarding the limited community awareness of government empowerment loans in Rungwe District Council, align with the research conducted by Jack (2016), who emphasized the challenges in communication and outreach efforts related to empowerment loans for women and other target groups. Similarly, the low percentage of respondents who had heard about government campaigns related to the empowerment loans is in line with the findings of ANSAF (2019), which pointed out the need for more effective promotional strategies to enhance awareness and accessibility.

# 4.4 Effectiveness of Government Empowerment Loan and Women Livelihoods Improvement

The second objective of the study was to determine the effectiveness of the empowerment loan provided by the government in improving the livelihoods of women in Rungwe District Council. To achieve this, three questions were included in the questionnaire. The first question asked respondents on the extent to which their group had benefited from the empowerment loan. The second question inquired about the specific ways in which the empowerment loan contributed to the improvement of the respondents' livelihoods. Lastly, the third question sought to measure the overall impact of the empowerment loan on the improvement of the respondents' livelihoods. These questions aimed to capture the subjective experiences and perceptions of the beneficiaries, allowing for a comprehensive evaluation of the loan program's effectiveness in fostering positive economic and social outcomes.

# 4.4.1 Extent to which Women Groups Benefited from the Empowerment Loan

The study aimed to assess the extent to which women groups benefited from the empowerment loan provided by the government in Rungwe District Council. To achieve this, respondents were asked to provide their perspectives on the level of benefits their groups received from the loan program. Table 4.6 shows the responses of the respondents;

Table 4. 6 The Extent to which Women Groups Benefited from the Empowerment Loan

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| To large extent | 44 | 36.67 | 36.67 | 36.67 |
| To some extent | 62 | 51.66 | 51.66 | 91.33 |
| To minimal extent | 14 | 11.67 | 11.67 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.6 presents the distribution of respondents' perspectives on the extent to which women groups benefited from the empowerment loan provided by the government in Rungwe District Council. Out of the 120 respondents, 36.67% believed that their groups had benefited to a large extent from the loan program. Another significant portion, 51.66%, reported that their groups had benefited to some extent, indicating a positive impact on their collective empowerment and livelihood improvement. However, 11.67% of the respondents felt that the benefits to their groups were minimal. These findings suggest that the empowerment loan program has had varying degrees of impact on different women groups in the district. The relatively high percentage of respondents who perceived significant benefits indicates the effectiveness of the loan program in positively influencing the economic activities and social well-being of these groups. On the other hand, the presence of respondents who reported minimal benefits suggests that there may be specific challenges or limitations in certain cases.

Furthermore, one of the Monitoring and Evaluation Officers noted saying that;

*“Women groups are benefiting a lot from empowerment loan provided by the government, in most cases women groups get more than 4% as the policy saying and this means that the women group is the group which are benefited from the loan more than other groups”*

Also, District Community Development Officer noted saying that;

*“According to the records from the Rungwe district library, of the 100% of the women groups which are applying for empowerment loans from the government, more than 60% of the groups are successfully acquiring the empowerment loan”*

The provided statements reveal positive outcomes of the empowerment loan program for women groups in Rungwe District Council. The first statement emphasizes that women groups significantly benefit from the government's empowerment loan, often receiving more than the designated 4%, which indicates a favorable impact on their economic and social well-being. This finding underscores the program's effectiveness in supporting women's groups as a targeted beneficiary. The second statement, attributed to the District Community Development Officer, highlights a high success rate in acquiring the empowerment loan among women groups. With over 60% of the groups successfully obtaining the loan, this statistic showcases the program's accessibility and responsiveness to the needs of women in the district. These statements collectively indicate that the government's empowerment loan program has had a positive and beneficial effect on women's groups, enabling their active participation in economic activities and contributing to their overall socio-economic advancement in Rungwe District Council.

# 4.4.2 Contribution of Empowerment Loans to Womens’Livelihoods Improvement

By exploring the specific ways in which the loan impacted their economic and social well-being, the research sought to provide valuable insights into the effectiveness and relevance of the loan program in enhancing the livelihoods of women beneficiaries. Table 4.7 shows the responses of the respondents on those specific ways;

Table 4. 7 Empowerment Loans to Livelihoods Improvement

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Entrepreneurship Support | 41 | 34.17 | 34.17 | 34.17 |
| Skills and development training | 5 | 4.17 | 4.17 | 38.34 |
| Income Diversification | 17 | 14.17 | 14.17 | 52.51 |
| Poverty Alleviation | 9 | 7.50 | 7.50 | 60.00 |
| Women Empowerment | 48 | 40.0 | 40.0 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.7 presents the distribution of respondents' perceptions to which the empowerment loan contributed to the improvement of their livelihoods in specific areas in Rungwe District Council. Out of the 120 respondents, 34.17% reported that the loan program provided significant support for entrepreneurship. This suggests that the loan initiative played a crucial role in fostering entrepreneurial activities among the beneficiaries, empowering them to start or expand their businesses, 14.17% of respondents indicated that the loan facilitated income diversification, indicating that it enabled them to explore new income-generating opportunities and reduce reliance on a single income source. Another 7.50% of respondents mentioned that the loan contributed to poverty alleviation, highlighting its potential in lifting women out of poverty by providing financial resources to improve their economic situation. Moreover, 4.17% reported that the loan facilitated skills and development training, indicating that it played a role in enhancing the beneficiaries' capacities and knowledge, which can further support their livelihood improvement. The majority, 40.0%, attributed the loan's impact to women empowerment, demonstrating its broader significance in empowering women beneficiaries and enhancing their agency and decision-making power. These findings suggest that the empowerment loan program has multifaceted contributions to the livelihoods of the beneficiaries, encompassing economic, social, and empowerment dimensions.

During interview, District Community Development Officer noted saying that;

*“Empowerment loans taken by women in most cases facilitates development of their families as such most women are self-employed and re the one which provides much for their families, so the loans they are receiving, most of the time they use it to add capitals to their existing businesses”*

Similarly, Ward Development Officers noted saying that;

*“The loans provided to women are always used to boost their existing businesses because many of them are forming the groups as small business owners such as restaurants, home based businesses and agricultural activities, therefore once they receive the empowerment loan from the government they add the capital to the existing businesses they were always dealing with”*

The statements from both the District Community Development Officer and the Ward Development Officers emphasize that empowerment loans received by women have a notable positive impact on their families and businesses. Women, being predominantly self-employed and significant contributors to their families' well-being, often use the loans to enhance their existing businesses. These loans serve as a means to augment capital in various entrepreneurial ventures such as small restaurants, home-based businesses, and agricultural activities. The uniformity of this observation across different levels of local administration underscores the crucial role of empowerment loans in bolstering women's economic activities, supporting existing businesses, and ultimately contributing to the improvement of both their families' livelihoods and the local economy.

# 4.4.3 Impact of the Empowerment Loans on the Livelihoods Improvement

By analyzing the respondents' perspectives on the extent to which the loan has influenced their economic and social well-being, this study seeks to provide a comprehensive understanding of the program's effectiveness in enhancing the livelihoods of women beneficiaries. Table 4.8 shows the responses of the respondents;

Table 4. 8 Distribution of Respondents on Extent to which Empowerment Loan Contributes on the Improvement of Livelihoods

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| To large extent | 28 | 23.33 | 23.33 | 23.33 |
| To some extent | 56 | 46.67 | 46.67 | 70.0 |
| To minimal extent | 36 | 30.0 | 30.0 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.8 illustrates the distribution of respondents' perspectives regarding the overall extent to which the empowerment loan provided by the government contributes to the improvement of their livelihoods in Rungwe District Council. Among the 120 respondents, 23.33% reported that the loan program has contributed to a large extent to their livelihood improvement, 46.67% of respondents indicated that the loan had contributed to their livelihood improvement to some extent. However, a significant proportion, 30.0%, reported minimal contributions of the loan to their livelihood improvement. These findings indicate a diverse range of perceptions among the beneficiaries regarding the overall impact of the empowerment loan on their livelihoods. While a notable portion of respondents reported substantial or moderate positive effects, there is a considerable portion that perceived minimal impact. These varying perspectives highlight the need for a nuanced approach in understanding the program's effectiveness and identifying factors that influence its outcomes.

The findings regarding the effectiveness of the government's empowerment loan program in improving women's livelihoods in Rungwe District Council resonate with the themes discussed in the research conducted by DeMel (2019). The statements from the District Community Development Officer and Ward Development Officers align with DeMel's findings, which emphasized that women often use the loans to enhance their existing businesses and contribute significantly to their families' well-being. Furthermore, the distribution of responses in Table 4.8, where some beneficiaries reported substantial or moderate positive effects, while others perceived minimal impact, echoes the multifaceted and varying contributions of the empowerment loan program highlighted in DeMel's research. These findings underscore the complex nature of the program's impact on women's livelihoods and emphasize the importance of understanding the nuanced factors that influence its effectiveness.

# 4.5 Challenges for Acquiring the Empowerment Loans

The third objective of the study focused on identifying the challenges faced by the targeted groups when attempting to acquire the empowerment loans provided by the government in Rungwe District Council. By exploring the barriers and obstacles that women encounter during the loan acquisition process, the research aimed to shed light on the factors hindering access to financial support and subsequently inhibiting the potential benefits of the loan program on women's livelihood improvement. Table 4.9 shows the responses of the respondents on the challenges;

Table 4. 9 Distribution of Respondents on Challenges for Acquiring the Empowerment Loans

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Response** | **Frequency** | **Percent** | **Valid Percent** | **Cumulative Percent** |
| Long unnecessary procedures | 79 | 65.83 | 65.83 | 65.83 |
| Poor cooperation from the Government | 27 | 22.50 | 22.50 | 88.33 |
| Low education to the beneficiaries | 14 | 11.67 | 11.67 | 100.0 |
| **Total** | **120** | **100.0** | **100.0** |  |

Table 4.9 presents the distribution of respondents' perspectives on the challenges faced by the targeted groups when attempting to acquire the empowerment loans provided by the government in Rungwe District Council. Out of 120 respondents, a significant majority (65.83%) cited long and unnecessary procedures as a major challenge in accessing the loans. This finding suggests that bureaucratic hurdles and complex application processes are discouraging potential beneficiaries from seeking the financial support they need. Moreover, 22.50% of respondents reported poor cooperation from the government as a challenge, indicating potential inefficiencies in the implementation and administration of the loan program. Another 11.67% of respondents mentioned low education among beneficiaries as a hindrance, potentially reflecting how educational barriers can limit women's ability to navigate the loan application process. These findings highlight critical areas that need attention to enhance the accessibility and effectiveness of the empowerment loan program. Simplifying procedures, improving government responsiveness, and providing educational support can address these challenges and ensure that more women can access the loans and benefit from the opportunities they provide. The data on challenges for acquiring the empowerment loans underscore the importance of streamlining processes and addressing institutional obstacles to maximize the impact of the program on women's livelihood improvement in the district.

During interview, District Accountant noted saying that;

*“Some of the groups are applying for empowerment loan without having thee clear ideas on how they are going to use those loans to be productive so that they can repay it back on time, at the end after they are provided with the loans, they are using them to feed their families instead of investing them on businesses, therefore end of the day they fail to repay their loans”*

Furthermore, Ward Development Officers noted saying that;

*“Many of the women groups does not have financial education or business education, soon after acquiring the empowerment loans they lose all the money, also some of them does not invest the funds on productive activities, at the end they fail to repay their loans on time or to repay at all”*

Both the District Accountant and the Ward Development Officers highlighted similar challenges in the utilization of empowerment loans among women groups. The District Accountant noted that some groups apply for loans without clear plans for productive use, leading to funds being used for family sustenance rather than business investment. Consequently, these groups struggle to repay the loans on time. The Ward Development Officers echoed this sentiment, emphasizing that a lack of financial and business education among many women groups results in mismanagement of loan funds, often leading to failure in timely repayment. This consensus underscores the importance of not only providing access to loans but also ensuring proper financial literacy and business training to empower women with the skills needed to effectively manage and invest loan funds into productive ventures, thereby increasing the program's impact and sustainability.

The challenges identified in the study regarding the acquisition of empowerment loans in Rungwe District Council align with the findings from Ashraf (2020). The common theme of bureaucratic hurdles and the perception of long and unnecessary procedures in the present study corresponds to the challenges faced by women when accessing the loans, as identified by Ashraf. The statement from the District Accountant about some women groups applying for loans without a clear plan and using the funds for non-productive purposes also resonates with Ashraf's research, which highlighted the importance of proper financial education and investment strategies to ensure the loans are utilized effectively. These correlations indicate that the challenges faced by women in acquiring and effectively using empowerment loans have broader relevance and recurring patterns in different contexts, emphasizing the need for targeted interventions and support to address these challenges and enhance the program's outcomes.

CHAPTER FIVE

# **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

# **5.1 Introduction**

This chapter presents conclusions drawn from the study's findings and provides recommendations based on the insights gathered from the research on the impact of government empowerment loans on women's livelihoods in Rungwe District Council, Tanzania. Through the analysis of data and responses, this chapter offers a comprehensive overview of the effectiveness, challenges, and potential improvements of the empowerment loan program.

# **Summary**

The study reveals a significant lack of community awareness regarding the government's empowerment loan program. While some women's groups have benefited significantly from the program, others perceived minimal benefits. The loans contribute to entrepreneurship support, income diversification, poverty alleviation, and women's empowerment. The study highlights challenges in accessing the loans, including lengthy procedures, limited government cooperation, and low education among beneficiaries. These findings emphasize the importance of increasing awareness, simplifying application processes, and providing educational support to enhance the program's effectiveness in improving women's livelihoods in the region

# **Conclusion**

The study's findings underscore the substantial potential of government empowerment loans in positively impacting women's livelihoods in Rungwe District Council, Tanzania. While awareness of the program exists, there is room for improvement in communication strategies to reach a broader audience. Notably, women groups have reaped significant benefits, particularly in entrepreneurship support and income diversification. Challenges such as bureaucratic procedures and limited education among beneficiaries hinder optimal access to the program. Addressing these challenges through streamlined processes, targeted awareness campaigns, and educational initiatives can enhance the program's efficacy. The study highlights the need for a holistic approach to empowerment, encompassing not only financial support but also the necessary skills and knowledge to ensure sustainable economic growth and social progress among women in the district.

* + 1. **Community Awareness of the Empowerment Loans from the Government**

The assessment of community awareness regarding government empowerment loans in Rungwe District Council reveals a significant opportunity for improvement in disseminating information about the program. While a notable percentage of respondents were aware of the loans, the majority lacked awareness, indicating the need for targeted and regular awareness campaigns. Enhanced communication strategies, involving diverse media channels and community engagement, could bridge this awareness gap and ensure that the intended beneficiaries are informed about the opportunities provided by the empowerment loan program. Such efforts would contribute to broader participation, more informed decision-making, and ultimately greater socio-economic empowerment for women in the district.

* + 1. **Effectiveness of Empowerment Loans on Livelihoods Improvement**

The evaluation of the effectiveness of government empowerment loans in improving livelihoods among women in Rungwe District Council highlights the positive impact of the program on various dimensions of economic and social well-being. The study found that women groups, often engaged in entrepreneurial ventures, benefited notably from the loans, leading to income diversification and empowerment. However, challenges such as bureaucratic procedures and limited financial and business education were identified as obstacles to maximizing the loans' potential impact. To optimize outcomes, a comprehensive approach that includes simplifying application processes, providing financial literacy training, and targeting education gaps is recommended. The study underscores the pivotal role of empowerment loans in advancing women's socio-economic status and emphasizes the importance of tailored strategies to ensure sustainable livelihood improvements.

* + 1. **Challenges Facing Those Targeted Groups on Acquiring the Empowerment Loans**

The study revealed that complex and lengthy application procedures, lack of cooperation from government entities, and limited educational background among beneficiaries are key obstacles. These challenges hinder access to the loans and impede their intended impact on women's livelihoods. To overcome these barriers, streamlined application processes, improved coordination with government agencies, and capacity-building initiatives that enhance beneficiaries' financial literacy and entrepreneurial skills are recommended. Addressing these challenges will ensure that the empowerment loan program becomes a more accessible and impactful tool for women's economic advancement and overall community development.

# **5.4 Recommendations**

# **5.4.1 Recommendation for Action**

Based on the study's findings, several recommendations are proposed to enhance the government empowerment loan program's impact on women's livelihoods in Rungwe District Council. Firstly, conducting targeted awareness campaigns at regular intervals is crucial to ensure wider community knowledge and participation, simplifying application processes and improving government responsiveness can alleviate the bureaucratic challenges faced by applicants. Investing in financial and business education initiatives for beneficiaries is essential to maximize loan effectiveness. Collaborating with local organizations and institutions to provide training and mentorship can also contribute to better loan utilization. Lastly, periodic program evaluations and feedback mechanisms will facilitate continuous improvement and responsiveness to evolving needs, ultimately ensuring a more equitable and sustainable enhancement of women's livelihoods in the district.

# **5.4.2 Recommendation for Further Studies**

Further studies are recommended to delve deeper into specific aspects of the government empowerment loan program's impact on women's livelihoods in Rungwe District Council. Exploring the relationship between financial literacy levels and loan utilization could provide insights into the role of education in loan effectiveness. Investigating the challenges faced by specific subgroups, such as women with disabilities, and their unique needs in accessing and benefiting from the program, could lead to more targeted interventions. Also, studies tracking the long-term impact of the loans on beneficiaries' socio-economic progress would provide a comprehensive understanding of the program's sustainability. Lastly, comparative studies across districts or regions could uncover contextual factors influencing the program's success, offering valuable insights for policy adjustments and program replication in similar contexts.

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APPENDICES

APPENDIX I**: QUESTIONNAIRES FOR WOMEN (BENEFICIARIES)**

Dear respondent, I am a student from Open University – Tanzania. I am studying Masters in Monitoring and Evaluation. This questionnaire aims to examine your answers to these questions about “***Impact of empowerment loans from the government to women livelihood in Tanzania***.”. It is a partial of fulfillment of the requirement of the award of masters of arts in monitoring and evaluation. Your given information will remain confidential and your name is not asked anywhere in the questionnaire. Therefore, I am asking for your cooperation in filling this questions form.

**Instructions**

Please put a tick (√) in the bracket.

**Part I: Demographic Information**

1. Gender

(a) Male ( )

(b) Female ( )

1. Age
2. 0-20 yrs ( )
3. 21 -40 yrs ( )
4. 41-60yrs ( )
5. 61 + yrs ( )
6. Education level
7. Primary ( )
8. Secondary ( )
9. Certificate/Diploma ( )
10. Degree ( )
11. Masters ( )

**Part II: Questions about Community Awareness of the Empowerment Loan**

1. Does your community aware of the empowerment loan from the Government?
2. Yes ( )
3. No ( )
4. Did you ever receive any education from the government concerning the empowerment loan from the Government?
5. Yes ( )
6. No ( )
7. Did you ever hear any government campaign concerning the empowerment loan from the Government?
8. Yes ( )
9. No ( )

**Part III: Questions about Effectiveness of Empowerment Loans and Livelihood improvement.**

1. To what extent have your group benefited from the empowerment loan from the government?
2. To large extent ( )
3. To some extent ( )
4. To small extent ( )
5. How does the empowerment loan from the government contributes on improvement of your livelihood?
6. …………………………………………………………………………
7. …………………………………………………………………………
8. …………………………………………………………………………
9. …………………………………………………………………………
10. …………………………………………………………………………
11. To what extent does the empowerment loan contribute on improvement of your livelihood?
12. To large extent ( )
13. To some extent ( )
14. To small extent ( )

**Part IV: Questions about Challenges for Acquiring the Empowerment Loans**

1. What are the challenge (s) you have faced on the process of applying for empowerment loan from the government?
2. Long unnecessary procedures ( )
3. Poor cooperation from the Government ( )
4. Low education to the beneficiaries ( )
5. Other:

Specify……………………………………………………………………………………………………………………………………………

1. To what extent does the challenge (s) you have selected above, affecting the process of acquiring empowerment loan from the government?
2. To large extent ( )
3. To some extent ( )
4. To small extent ( )

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* **Thank You**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

APPENDIX II**: INTERVIEW QUESTIONS FOR GOVERNMENT OFFICERS**

Dear respondent, I am a student from Open University – Tanzania. I am studying Masters in Monitoring and Evaluation. This interview aims to examine your answers to these questions about “***Impact of empowerment loans from the government to women livelihood in Tanzania***”. It is a partial of fulfillment of the requirement of the award of masters of arts in monitoring and evaluation. Your given information will remain confidential and your name is not asked anywhere during the interview. Therefore, I am asking for your cooperation in answering the following questions.

1. Gender

………………………………….

1. Education level

………………………………….

1. Did the government in Rungwe district ever provide any education to the community concerning the empowerment loan from the Government?

………………………………….

1. Did the government in Rungwe District ever launched any campaign to the community concerning the empowerment loan from the Government?

………………………………….

1. To what extent does the women groups are benefited from the empowerment loan from the government in Rungwe district?

………………………………….

1. To what extent does the empowerment loan contribute on improvement of livelihoods of women groups (beneficiaries)?

………………………………….

1. What are the challenge (s) you have faced on the process of providing the empowerment loan to the targeted groups?
2. ………………………………………………………………
3. ………………………………….…………………………...
4. ………………………………….…………………………..
5. ………………………………….…………………………...
6. ………………………………….…………………………..
7. What are the challenge women groups are facing on acquiring empowerment loan in Rungwe District?
8. ………………………………………………………………
9. ………………………………….…………………………...
10. ………………………………….…………………………..
11. ………………………………….…………………………...
12. ………………………………….…………………………..
13. To what extent does the challenge (s) you have mentioned above, affecting the process of providing the empowerment loan to the targeted groups?

………………………………….…………………………..

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* **Thank You**\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*