



Contribution of Microfinance Institutions to Women Socio-economic Empowerment: A Case of BRAC Branch Iringa Municipal Council, Tanzania

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Authors' contributions

Mary Gidion Maghina designed the study, conducted statistical analysis, developed the protocol, and authored the initial manuscript draft. The analyses for the study were supervised by Dr. Sosthenes Ruheza and Dr. Frank P. Mwangole. All authors read and approved the final manuscript.

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ABSTRACT

This study investigates the role of microfinance institutions (MFIs), with a focus on the BRAC Branch in Iringa Municipality, Tanzania, in enhancing the socio-economic empowerment of women. Using a non-experimental cross-sectional research design, primary data was collected from 66 respondents, complemented by interviews with key informants from the BRAC Institution. The research employed systematic simple random and probability sampling techniques, utilizing questionnaires and interviews as research tools, with data analysis conducted using the Statistical Package for Social Sciences (SPSS). The study aimed to assess the impact of MFIs on women's entrepreneurship skills, examine their influence on income generation, and evaluate their role in enhancing social respect among women. MFIs, particularly the BRAC Branch, have played a pivotal

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role in improving the entrepreneurship skills of women borrowers. Access to resources, capital, and training has empowered women to develop and enhance their entrepreneurial capabilities. MFIs have significantly contributed to the income generation of women. By providing accessible financial services tailored to their needs, women have been able to invest in and expand their businesses, resulting in sustainable income and improved financial well-being. The study underscores the instrumental role of MFIs in enhancing social respect for women. As women become financially independent through active participation in economic activities, they gain recognition and respect within their communities. This has led to increased confidence and challenges to traditional gender norms. This research highlights the substantial strides made by microfinance institutions, particularly the BRAC Branch in Iringa Municipality, in empowering women socio-economically. The positive impacts on women's entrepreneurship skills, income generation, and social respect are evident. To further strengthen this contribution, collaborative efforts involving the government and stakeholders are recommended. Extending loan repayment periods, increasing maximum loan amounts, and providing accessible collateral options are crucial steps toward ensuring continued empowerment. These findings underscore the critical role of MFIs in advancing gender equality and socio-economic development in Tanzania.

Keywords: Microfinance Institutions; empowerment; women socio - economic empowerment.

DEFINITIONS

Microfinance Institutions these are the financial services provision to the low-income people and small enterprises that lack access to formal financial institutions. microfinance is not limited to borrowing activities but also includes savings, transfer facilities, training, insurance and others. microfinance institutions are effective instruments for providing basic services like savings, affordable credit and skill training [29-34,53].

Empowerment Generally, empowerment is defined in many ways depending on who it is being applied to. the general definition states that empowerment is the process of enabling or authoring an individual to think, behave, take action and control work in autonomous way [45,46-52].

Secondly, empowerment as classed by the United Nations (UN), is classified into five components and these include; women's "right to make choices", "right to have access to resources" "right to control their own lives", "sense of self-worth" and "the ability to create a social and economic order" (the UN, 2011).

Women Socio - Economic Empowerment refers to the ability of women and girls to act individually and collectively to change social relationships and the institutions and discourses that exclude them and keep them in poverty. this means the women ability to participate equally in existing markets, their access to and control over productive resources, access to decent work, control over their own time, lives and bodies and increased voice, agency and meaningful participation in economic decision making at all levels from the household to internal institutions

international monetary fund (2018) [35-44]. Pursuing women's economic empowerment. it is about the extent to which some categories of people are able to control their own destinies, even when the people with whom they interact oppose their interests mason, and (2005). in this study, women socio-economic empowerment stands for the efforts by microfinance institutions (mfis) to socially and economically empower women through micro-credit to improve their economic activities.

ABBREVIATIONS

<i>MFIS</i>	: <i>Microfinance Institutions</i>
<i>SACCOS</i>	: <i>Savings and Credit Cooperative Organizations</i>
<i>SMES</i>	: <i>Small and Medium Enterprises</i>
<i>SPSS</i>	: <i>Statistical Product and Social Solutions</i>
<i>UN</i>	: <i>United Nations</i>
<i>VICOBA</i>	: <i>Village Cooperation Bank</i>
<i>BRAC</i>	: <i>Bangladesh Rehabilitation Assistance Committee</i>
<i>FINCA</i>	: <i>Foundation for International Community Assistance</i>
<i>SBLP</i>	: <i>Service – Based Local Policy</i>
<i>UNDP</i>	: <i>United Nations Development Programmer</i>

1. INTRODUCTION

Women's Empowerment has been associated with developing economies worldwide for almost half a century. Women's Empowerment entails leadership in household decision-making, improved access and control over household resources, including physical and financial assets, enhanced mobility, and acquisition of

skills and knowledge [1]. In developing economies, microfinance and microcredit have increased women's economic independence and power. Microfinance Institutions have gained importance over the last twenty years by successfully implementing microcredit programs such as BRAC, FINCA, Bay Port, and many others [2]. These programs are primarily aimed at people who need help acquiring credit due to their inability to provide collateral, a requirement of formal lending institutions. Such programs are especially vital for women folk because they seldom own land or other physical assets in most developing countries. As such, Microfinance Institutions (MFIs) provide credit and allow women to engage in productive activities leading to their Empowerment [3].

Sultan and Yahaya [4] observed that microfinance services have a long history that depends on community groups' credit functions primarily channeled through trust-bonded mechanisms. Firstly, these community groups' credit functions successfully set up a turning point in the global microfinance landscape. These successfully set up a foundation ideal for multiple microfinance services, including micro-credit, micro-saving, micro-insurance, and micro-leasing supported by non-financial services [2]. Secondly, concessionary loans, borne as donor attempts under development financial institutions, affected low-income people more. This was because such loans had only targeted specific agricultural sectors in society, such as cotton and coffee in Uganda, where only the rich had advantages. However, with the schemes attached to government officials in most countries by then, the selection of beneficiaries benefited the rich and their political supporters more [1].

The results were that Microfinance Institutions (MFI) provided an avenue for a diversified financial landscape with many financial service functions [5]. Their popularity among both practitioners and poor clients then grew from its poor and vulnerable people, women in particular. Since the 1990s, the expansion of microfinance as both a replacement for and a complementary service to commercial banking has grown more in most countries. With the typical features of proximity to clients, speed and flexibility of services, diversity of services and products, and mutual reciprocity, microfinance continues to grow into a popular industry [53-57]. The number of major Microfinance Institutions (MFI) in Tanzania has grown excessively from a single

digit to double. Perhaps even triple digits considering from micro to macro level. For example, according to [6]. There were 98 Microfinance Institutions (MFI) in Tanzania by 2017. This number was good enough to help in empowering vulnerable women. To date, however, these Microfinance Institutions (MFI) have continued to increase such that it becomes essential to determine their role and performance.

The objectives of microfinance, among others, are that the poor, primarily women (because of their engagement in unpaid work), need access to productive resources, with financial services essential. Microfinance can significantly impact cross-cutting issues such as women's Empowerment promoting gender equality. Microfinance schemes usually lend small short-term loans to very poor micro-entrepreneurs (very poor micro-entrepreneurs are women). Loan repayment is always guaranteed by group members collectively, and access to future credit or loans is contingent on successful repayment [7]. According to the population and housing censuses conducted in Tanzania (2022), about 83.9% of the working population is in the private informal sector [8]. The sector is characterized by women's dominance and lack of access to credit from traditional banking institutions due to collateral security. Therefore, the effectiveness of any microfinance scheme or program should be assessed based on how it has empowered women economically, politically, and socially [9].

Increasing evidence shows that women are over-represented among the poorest people and are more likely than men to spend their incomes on the welfare of children and dependents [11]. Therefore, poverty reduction programs targeting women are likely more effective. Empowering women is the second stated goal of the microcredit summit campaign. There is also evidence of significant potential for microfinance to enable women to challenge and change gender inequalities at all levels. There is a growing need to rethink the current best practices to ensure that women have equal and possibly preferential access to all types of financial services [12]. Many micro-credit programs have targeted one of the most vulnerable groups in society: households that own little or no assets. By providing opportunities for self-employment, many studies have concluded that these programs have significantly increased women's security, autonomy, self-

confidence, and status within their households [13,58-62].

In Tanzania, most microcredit services are limited and pushed by formal and informal lending Institutions, women high-risk borrowers. They consequently lack access to the financial market (Microfinance), which offers financial services to the most disadvantaged people, such as women. Hence, targeting credit to the poor people was found to be one of the instruments for poverty reduction [63-69]. Microfinance institutions have been established and operating with the ultimate goal of alleviation. Based on the above points, Microfinance Institutions are the economic solution for women entrepreneurs and people experiencing poverty, but still, more emphasis should be given to realizing their potential in influencing community development.

1.1 Statement of the Problem

In Tanzania, like in other developing countries, the microfinance industry is growing globally, and the same industry advocates women's empowerment. One of the objectives of Microfinance is to enhance women's empowerment and to generate empowerment opportunities by promoting self-employment that consequently improves the social well-being of poor people. According to the World Bank Report [14], empowering women economically will mean increased investment in children's education, improved health, and reduced poverty at the family level. Despite the increase and efforts to integrate small enterprises into micro-financing, more people still live in extreme poverty in urban and rural areas. Statistics show that the poverty situation in Tanzania, about 12 million people in Tanzania still live in poverty [14].

Numerous Microfinance Institutions have been emerging in various parts of Tanzania, including Iringa Municipality. All of them provide microfinance services to the poor, including women, with the view of poverty reduction and economic empowerment for women. However, there needs to be more information on how existing Microfinance Institutions have contributed to women's empowerment. Therefore, this study intended to examine the contribution of BRAC in Iringa Municipal Tanzania using the case of BRAC Institution.

2. MATERIALS AND METHODS

2.1 Study Area

This study is intended to be conducted in Iringa District which is one among the 4 districts found

in Iringa region. The district is bordered by Iringa District Council at North and West, Kilolo District Council at East and Mufindi District Council at South, with the total population of 160,800 from which 76,426 are males and 84,374 are females. The study intends to access information on the contribution of microfinance institutions to Women Socio-Economic Empowerment in Iringa Municipal Council, using a case of BRAC Branch. The researcher chooses the area because it's the major and dominant micro financial institution supporting women and have larger number 6000 of clients' borrowers, for this reason were easy to obtain the required data. In this study the key people in concern are woman entrepreneurs; this is because the researcher was able to observe that. Still woman is behind in entrepreneurial activities than man though they are the ones who taking care of the family and able to be effective and mostly efficient than man in controlling business activities. So, the area is suitable for the study, therefore it attracted the researcher to conduct the study on that area. But also, the area selected is well-known by the researcher.

2.2 The Research Approach

The research approach utilized in this study aligns with Kothari's [15] classification of two fundamental research approaches: quantitative and qualitative. The primary objective of this study was to examine the contribution of microfinance to women socio-economic empowerment. Considering the nature of the research question, a quantitative approach was chosen. This approach involves the collection and analysis of numerical data to provide insights into the correlation between BRAC micro finance activities and women social Economic empowerment. This quantitative approach enables a systematic examination of the relationship between variables through statistical analysis, contributing to a more objective understanding of the phenomenon under investigation.

2.3 Research Design

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data [16]. A

research design is a general outline of how the study was conducted, it identifies how data was collected, analyzed and presented [16]. This study adopted a Non-experimental design specifically a cross-sectional research design. The choice of this design is based on the fact that it allows data to be collected once at one point in time in the study area. In addition, the design provided an opportunity for the generation of data needed for the description and determination of relationships among variables, and moreover, due to the scarcity of resources such as time and financial resources. The information collected helps to construct questionnaire and conduct depth interview from the concerned universe.

2.4 Population and Sampling Procedures

2.4.1 Population

As defined by Cooper and Schindler [12], the term "population" encapsulates the entirety of elements around which a study intends to derive specific inferences. Within the scope of this research, the study population encompassed the women's beneficiaries of the BRAC micro finance. Drawing from data collected across BRAC micro finance beneficiaries, the study population was comprised of a total of 66 beneficiaries.

2.4.2 Sampling technique

Sampling technique refers to the method by which a researcher selects individuals to gather information from within a studied population [26]. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group [26]. The researcher did not deal with the whole population, Respondents was obtained through Probability Sampling; specifically, a systematic simple random sampling was used to avoid biases because each one has an equal chance to be selected and non-probability sampling, specifically Key informants such as by BRAC branch, BRAC Branch manager and credit officer. Procedure was done to enable the researcher to control the area of the study very efficiently and to study sufficient respondents from those represent the total population.

2.4.3 Sampling frame

The sampling frame has a close relationship with the population. It involves attributes from which the sample of interest is drawn [12]. According to

Babbie [17], sampling frame means the list of elements in which a sample is selected under probability bases. In this study, the sampling frame was made of a list of beneficiaries of the BRAC microfinance, Iringa.

2.4.4 Sample size

Sample size refers to the number of elements to be included in the study [26]. For any sample design, deciding upon the appropriate sample size depends on five key factors: (1) Margin of error or precision, (2) Amount of variability in the population, (3) Confidence level, (4) Population size, and (5) Proportion of the population. It is essential to consider these factors together to achieve the right balance and ensure that the sample objectives are met.

The sample size was calculated by using Yamane formula. Sample size based on the Yamane 1967 formula. The study obtained information from the women empowered by BRAC branch. According to BRAC Iringa branch, the total number of women empowered was 210. The sample was based on the following formula.

$$n = N / 1 + N (e)^2$$

Where;

n = sample size

N= number of entire populations

e= selected to be level of precision,

(e=10%) $n = 210 / 1 + 210(10\%)^2$

=Sample size for women empowered by BRAC branch was 66.

From the above formula, the required sample for this study was 66 respondents who were made of the women empowered by BRAC Microfinance Iringa branch.

2.5 Types of Data and Data Collection Techniques

2.5.1 Types of data

According to Kothari [15], there are two types of data, which are primary and secondary. Primary data are those which are collected directly for the field. On the other hand, secondary data are those that have already been collected by someone else and passed through the statistical process. Based on this study, the researcher used both primary and secondary data.

2.5.1.1 Primary data

Primary data are the information gathered directly from participants [27]. Primary data for this research was obtained using questionnaires

which were shared to respondents to examine the contribution of microfinance to women's socio-economic empowerment.

2.5.1.2 Secondary data

Secondary data analysis can be literally defined as second-hand information used for analysis that was either gathered by someone else or for some other purpose, or often a combination of the two [7]. Secondary data can be classified into two sources, which are electronic based sources and paper-based sources. Based on this the researcher used both electronic and paper-based sources to get secondary data needed for this study.

2.5.2 Data collection techniques

This segment explains the particulars of the instrument which used to conduct this study.

2.5.2.1 Questionnaire

A questionnaire consists of several questions printed or typed in a defined order, to be sent to respondents [15]. In this study 66 questionnaires were distributed to beneficiaries from BRAC Micro finance. The questionnaires included closed-ended and open-ended questions designed in a way that they would produce relevant useful data.

According to [15] Likert scale consists of a number of statements which explain either favourable or unfavourable attitude, the respondents asked to respond to the statement with degree of either agreement (Yes) or disagreement (No).

2.5.2.2 Interviews

A structured interview was used to collect primary data and a questionnaire was employed as a tool. Moreover, it was done face to face, such that a respondent was asked questions by using a questionnaire, and answers obtained was recorded. Both closed and open-ended questions were asked which helped the researcher get sufficient information. The interview method of collecting data involves presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. This method can be used through personal interviews and, if possible, through telephone interviews [15]. The method has great importance because it is less cost to get sufficient information, the primary information obtained is fresh and new, detailed information obtained at a short time so time.

2.5.2.3 Documentary review

This method involved a review of various published and unpublished materials from different sources such as related research reports, books, journals, and article contents, which used a checklist as a tool such that it used for quickly and easily recording data.

Documentation is the process of collecting data from existing literature of the same study. This is easy methods as it provides clear existing information on the matter in table. Researcher use documentation method to collect data of average number of entrepreneurs who are getting loan from BRAC Institution. Some of the data were collected by reviewing different articles, reports and documents related to the topic.

2.6 Data Analysis

In data analysis, some of the most common ways of simplifying data are by calculating the mean, percentage distribution, frequency distribution, and so forth. In this particular study, the researcher used the Statistical Package for Social Sciences (IBM SPSS v.20) to process the quantitative data. Data analysis begins after the data have been collected and processed. In this study, the researcher adopted types of analysis to analyse the findings such as frequency distribution.

3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

Descriptive analysis is a branch of analysis that focuses on the summarization and description of data that was collected from the survey (Weiers, 2008). This part was used to provide an analysis of the demographic characteristics of the respondents obtained from the survey and used the analysis to make general observations on the data, such as gender, age, and marital status.

Descriptive analysis is a branch of analysis that focuses on the summarization and description

3.2 Respondent Demographic Profile

This part reflects the demographic details of respondents such as age of respondents, sex of respondents, marital status of respondents, household size of respondents, and level of education of respondents. The researcher had distributed 66 copies of the survey

questionnaires and had received a 100% response from respondents. Regarding age, the most were between 31-45, and the least were between 56- 65. Also, regarding the level of education, we had 46 secondary-level respondents, 19 were primary education level and 1 post-secondary education respondents. The researcher fully utilized and analysed the 66 copies of the survey questionnaires.

3.2.1 Age distribution of the respondents

Study findings, as presented in Table 1, revealed that 80.3% were aged between 31-45 years, 10.6% were aged between 46-55 years, 6.1% of the respondents were aged between 18-30 years, and 3% were aged between 56-65. The findings clearly show that most women entrepreneurs who benefited from BRAC are aged between 31 and 45. Currently, youths are involved in entrepreneurship activities because self-employment is a significant option for income generation due to a lack of formal employment [23]. These results show that most respondents were aged between 31 to 45 years, followed by elders aged between 46 to 45 years and 18-30 years. All these ages fall into the group of youths. Therefore, it is believed that if these entrepreneurs get loans and good training from MFI, they can do well in entrepreneurship due to their age and, as a result, be empowered. Provident and Zacharia [18] found that youths do better in entrepreneurship. It is recommended that although all ages can do better in entrepreneurship, there is a need to encourage more youths to be entrepreneurs through giving loans, training, and providing entrepreneurship business skills by calling upon successful entrepreneurs to motivate young people to consider entrepreneurship and self-employment. The respondents' age was analyzed to determine the age of entrepreneurs with the support of BRAC.

3.2.2 Marital status of the respondents

Study findings, as presented in Table 1, revealed that 64% of the respondents are married, 17% are single, 9.1% are separated, 6.1% are widowed, and 5% are divorced. Therefore, it shows that most women entrepreneurs are married. These results showed that 64% of the majority of respondents were married. Married women have many responsibilities, so they engage in entrepreneurship activities so that they can be able to access their children's needs. So, the study recommends that all categories of

people, whether married, single, or widowed, remember that poverty does not choose any of the categories, and for that matter, whether one is single or married, he/she has the responsibility to develop. In that regard, married people are more committed to access to MFIs according to their responsibilities to family matters and when compared to other people who are not married. Moreover, the respondents' marital status level was analyzed in Fig. 1.

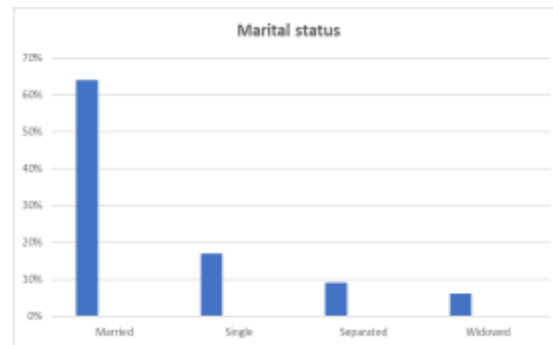


Fig. 1. Marital status

3.2.3 Education level of the respondents

As presented in Table 1, study findings revealed that 69.7% percent had secondary education, 28.8% percent had primary education, and 1.5% had post-secondary education. Therefore, it shows that most women entrepreneurs must be more highly educated. The findings reflect the argument presented by Hatibu [19] that the more educated people are, the less they are involved in entrepreneurship activities. Most of the entrepreneurs need to be more educated. The study results show us that the majority of respondents had secondary education. By majoring in secondary education, it implies that most entrepreneurs in the study have a lower education level. For that matter, most of them have been in poverty for some time. Therefore, it was okay for them to find a way by which they could manage to make a living. It was perfect that they joined microfinance institutions, which were a better means for alleviating their poverty by asking for loans and training assistance on writing business plans and maintaining a business. These findings are similar to those by Hatibu [19], that the more educated, the less the involvement in entrepreneurship activities. Therefore, entrepreneurs should find a way to improve their education level by joining evening programs, reading journals, and attending exhibitions.

3.2.4 Household size of the respondent

The findings presented in Table 1 shows that 63.6% of respondents live with 4-6 household members, 19.7% of respondents live with 1-3 household members, and 16.7% of respondents live with 7-9 household members. The findings reflect that high number of respondents have many household members which means there is high consumption in their households. The study finds that many women's in BRAC with larger number of members in their household engaged in entrepreneurship activities because they want to improve their income and living standard also taking care their children especial their needs and school fees.

3.2.4.1 Types of economic activities that are supported by BRAC

According to Table 2, a researcher aimed at/ intended to know the respondents' economic activities and practices. The findings in Table 2 shows that 13.6% are Saloon, 15.2% are Catering services, Food crops and vegetable to the market, 25.8% are Clothes shop, 9.1% are Cosmetics shop, 19.7% are tailors, 7.6% are Domestic needs shops, 4.5% are Charcoal sellers, 3% are Mobile network agency and 1.5% are Stationary. Therefore, Food crops and vegetables in the market were highly supported by BRAC compared to any other type of economic activity, with 25.8%. The researcher

intended to know the types of economic activities that BRAC supports its owner-managers. The results are shown in Table 2 below. These results showed that 25.8% of the majority of respondents dealt with food crops and vegetables in marketplace delivery. Although all entrepreneurs, whether manufacturers, service delivery, or commerce and trade, are concerned with poverty reduction, the speed of reducing poverty is low for those dealing with service delivery compared to those dealing with commerce and trade and those who are manufacturers. Findings by Morduch [20] show similar findings that most entrepreneurs engage themselves in service delivery due to insufficient capital. It is recommended that entrepreneurs join groups and have access to higher loans that could enable them to speed up the rate of poverty reduction.

3.3 Contribution of BRAC MFIs Institution on Women Income Empowerment

Likewise, during a focus group discussion with respondents, it was realized that women confirm that Loan from BRAC Institution helps them to own different businesses.

As one of the respondents asserted that:

We do different businesses according to the area's demand, time, and amount of capital.

Table 1. Profile of Respondents

Demographic characteristics	Frequency	Percentage
Age		
18-30	4	6.1
31-45	53	80.3
46-55	7	10.6
56-65	2	3
Total	66	100
Marital status		
Married	42	64
Single	11	17
Separated	6	9.1
Widowed	4	6.1
Divorced	3	5
Total	66	100
Education level		
Primary education	19	28.8
Secondary education	46	69.7
Post-secondary education	1	1.5
Total	66	100
Household members		
1-3	13	19.7
4-6	42	63.6
7-9	11	16.7
Total	66	100

Source: Field data (2023)

Table 2. Amount of loan received from BRAC

Parameters	Frequency	Percentage
Loan		
Loan received from BRAC Institution		
Yes	66	100
No	0	0
Total	66	100
Types of economic activities BRAC women practise		
Saloon	9	13.6
Catering service	10	15.2
Food crops and vegetable in the market	17	25.8
Cosmetic shops	6	9.1
Tailor	13	19.7
Clothes shop	5	7.6
Charcoal seller	3	4.5
Mobile network agency	2	3
Stationary	1	1.5
Total	66	100
Amount of capital of women entrepreneurs during starting the businesses		
500,000 – 690,000	15	23
700,000 – 990,000	16	24.2
1,000,000 – 1,490,000	18	27.3
1,500,000 – 1,999,000	9	13.6
2,000,000 – 2,490,000	6	9.1
2,500,000 – 2,990,000	1	1.5
Total	66	100
Amount women received from BRAC Institution.		
500,000 - 690,000	11	16.6
700,000 - 990,000	13	19.7
1,000,000 - 1,490,000	24	36.4
1,500,000 - 1,990,000	10	15.2%
2,000,000 - 2,490,000	5	7.6
2,500,000 - 2,990,000	3	4.5
Total	66	100
Challenges on accessing loans of BRAC Institution		
Lack of valid collateral and marital relationship	20	30.3
Lack of business and entrepreneurship education	14	21.2
Lack of loan savings and referees	6	9.1
High interest rate BRAC Institution Conditions and teams	26	39.4
Total	66	100
BRAC reduce poverty		
Yes	66	100
No	0	0
Total	66	100
Reasons		
It improves income	16	24
It improves living standard in household	14	21
It helps women to start business	12	18
It helps to afford basic needs	9	14
Help the children go to school	8	12
Help to improve business	7	11
Total	66	100
Savings.		
Yes	66	100
No	0	0
Total	66	100
Types of savings of respondents		
Through BRAC loan savings and VICOBA	59	89.4
BRAC loan savings	7	9.1
Total	66	100

Source: Field Data (2023)

Suring interview session with Credit Officer, she was of the view that loan which the BRAC Institution provided to the respondents are helped them to own the differences businesses because each of the respondents have their

choices on what types of activities or business want to practices. Here what she said.

Clients own different businesses because everyone does a business that sees a good

impact and because of the nature of the place and the demand of the needs of their clients. Food crops and vegetables are among the businesses that our clients like to do because it does not cost much capital and has an impact on them.

The findings from focus group discussions, interviews, and questionnaire sessions revealed that women who benefit from loans from BRAC Institution own different businesses because they are available and easy to do, do not cost much capital and time, and have a better profit than other businesses.

3.3.1 Level of capital of the entrepreneurs from the beginning and presents

According to Table 2, a researcher aimed at intended to know entrepreneurs' capital level at the beginning and present. The analysis was done to show if there has been capital growth among entrepreneurs under the study. The results are shown in Table 2 below. The findings show that 22.7% invested 500,000 up to 690,000, 24.2% invested 700,000 up to 900,000, 27.3% invested 1,000,000 up to 1,490,000, 13.6% invested 1,500,000 up to 1,990,000, 9.1% invested 2,000,000 up to 2,490,000, 1.5% invested 2,500,000 up to 2,990,000. The findings agreed with the [17]. One of the significant challenges facing SMEs in Africa is capital at the beginning. As such, once they begin their business, they have a better chance of increasing their capital [17]. The results show that the respondents started with low income but have improved after joining BRAC Institution; their capital is much better.

Likewise, during a focus group discussion with respondents, it was realized that women confirm that Loan from BRAC Institution helps them to improve their capital.

As one of the respondents asserted that

Yes, I started with the low capital, but now the capital has improved.

Suring interview session with BRAC Branch Manager, she was of the view that women who received loan from BRAC Institution their capital have improved than before because for now they have much better businesses than before.

Here what she said

There has been a massive change to the capital since they joined BRAC Institutions because

women have much better capital than before. After all, they received some loans from BRAC Institution, which helped them to improve their capital.

The findings obtained from focus group discussions, interviews, and questionnaire sessions revealed that women who are the beneficiaries of loans from BRAC Institution help women improve their capital due to the result of women's statements that show how they started and improved their capital.

3.3.2 Amount of loan received from BRAC

According to Table 2, a researcher aimed at intended to know if the respondents' received loans from BRAC Institution. The findings, as presented in Table 2, revealed that 100% of the women received loans from BRAC, 16.6% received between 500,000 to 690,000, 19.7% received between 700,000 up to 990,000, 36.4% received between 1,000,000 up to 1,490,000, 15.2% received between 1,500,000 up to 1,990,000, 7.6% received 2,000,000 up to 2,490,000 and 4.5% received between 2,500,000 up to 2,990,000. Therefore, it shows that many respondents received between 1,000,000 to 1,490,000. The Findings from the study show that the respondents are receiving different amounts of loans according to their differences in criteria and differ from the amount they need according to their businesses.

Likewise, during a focus group discussion with respondents, it was realized that women confirmed they received loans from BRAC. As one of the respondents asserted that

Yes I received loan from BRAC Institution.

Suring interview session with BRAC Branch Manager, she was of the view that all women received loan from BRAC Institution in different rank because it depends the number of times started to have access to the Institution.

Here what she said.

There are different ranks of applying for loans because of the number of years the women received loans from BRAC Institutions.

The findings from focus group discussions, interviews, and questionnaire sessions revealed that women have different ranks of loans received from BRAC Institutions.

3.3.3 Challenges in accessing loan from BRAC

According to Table 2, a researcher intended to identify the challenges encountered by the respondents to analyze what acts as an obstacle when accessing loans. The finding presented in Table 2 shows that 30.3%, represents 20 of the total respondents, stated that the lack of valid collateral and marital relationships is the major challenge they encountered, 21.2% (14 of the total respondents stated that the lack of businesses and entrepreneurship education is the major challenge they encountered with, 9.1%, representing 6 of the total respondents, stated that the lack of loan savings and referees is the major challenge they encountered, whereas 39.4%, representing 26 of the total respondents, stated that according to the high-interest rate and BRAC Institution, conditions terms is the major challenge they encountered with. Therefore, lack of valid collateral and the marital relationship is a significant challenge that faces many women accessing loans with 39.4%. The findings agreed with the [19]. Those institutions include legal and policy structures, economic systems, market structures, and marriage, inheritance, and education systems. Also, the findings agreed with the study of Liheta and Mosha [21], which revealed that the overall performance of MFIs in Tanzania could be better, and only a few have clear objectives or a solid organizational structure. It was further observed that MFIs in Tanzania lack participatory ownership, and many are driven. Due to that, BRAC women are facing challenges due to the high interest rate and BRAC conditions and teams, extended loan process, lack of entrepreneurship education, lack of valid collateral, and marital relationships.

Likewise, during a focus group discussion with respondents, it was realized that women confirm that they face challenges when applying for loans from BRAC Institutions.

As one of the respondents asserted that

High-interest rates and conditions are the major problems when accessing a loan because sometimes we need more loans according to the demand of businesses we do. However, we do not qualify to get it because of these conditions.

During interview session with BRAC Branch Manager, she was of the view that BRAC

Institution have their interest rate and conditions and terms.

Here what she said.

BRAC conditions are under BOT, limitations in the scale of their operations in outreach teams and the number of clients served, poor portfolio quality, limitations in their professional capacity, and weak government structure, so it is difficult to change them. Hence, the clients have to meet these conditions and teams so that they can be able to acquire the loan they need.

The findings obtained from focus group discussions, interviews, and questionnaire sessions revealed that, due to BRAC Institution regulations, terms, and conditions, respondents need help applying for loans.

3.3.3.1 Contribution to poverty reduction

According to Table 2, a researcher aimed at/ intended to know if BRAC Institution's loans help reduce poverty among the respondents. The findings, as presented in Table 2, revealed that 24% of it improves income, 21% improves living standard in the household, 18% helps to start a business, 14% helps to afford basic needs, 12% helps the children go to schools, and 11% helps to improve business. The findings agreed with the [28]. There is a range of MFIs whose participation is essential to appropriately address the challenge of poverty reduction to women by providing loans for starting businesses and improving their businesses. Also, it helps them improve their living standard and income, helps them meet their basic needs, and helps the children go to school.

Likewise, during a focus group discussion with respondents, it was realized that women confirmed that a loan from BRAC Institution helps them reduce poverty.

As one of the respondents asserted that

It helps to improve living standards and school fees for children, get money for business, and improve income, which improves living standards.

During interview session with BRAC Branch Manager, she was of the view that BRAC Institution the aim is to reduce poverty and through improving women capital.

Here what she said.

BRAC Institution aims to reduce poverty in society, especially by empowering women. Women are encouraged to join BRAC Institutions in order to get loans so that they can start businesses, which will help them to improve their income, which can help them to reduce poverty.

The findings obtained from focus group discussion, interview, and questionnaire sessions revealed that loan helps women to improve their living standard and poverty.

3.3.4 Savings

3.4.2.1 Savings made by the respondent

According to Table 2, a researcher aimed at intended to know if the respondents have ever made any savings to analyze if they can make savings for their business and living. The findings in Table 2 show that 100% of respondents are saving since they received training on saving for their business and living. Moreover, they made savings for the future, specifically through VIKOBA. Findings from (Rutenge, 2016) agree well with the findings from this study on the easy accessibility of Village Cooperation Bank (VICOBA) loans to promote livelihood improvement for its clients. Village Cooperation Bank (VICOBA) also promotes social solidarity between group members and the culture of saving (Rutenge, 2016) and saving based on saving accounts, which increases the savings (Ashraf et al., 2006). It is a microfinance service that enables people to access their assets with the help of weekly savings and contribute to group savings [22]. Save Microfinance institutes provide the opportunity for individual and group saving. Micro-saving enhances rural women's productivity [23] as saving is one of the microfinance services that has long-lasting effects on women [24]. According to Bernard et al. [25], saving positively impacts women's microenterprises. Therefore, it enhances the income from microenterprises, automatically boosting women's employment.

Likewise, during a focus group discussion with respondents, it was realized that women confirm that loan from BRAC Institution helps them to make savings.

As one of the respondents asserted that:

Yes I made the savings through VIKOBA and loan savings because I get from the profit of the business.

During interview session with BRAC Branch Manager, she was of the view that BRAC Institution starting making savings to all clients through loan savings.

Here what she said.

Among the conditions of BRAC Institution, to receive a loan from BRAC, 10% of the loan you requested is for loan savings, so the clients must pay that amount to receive the loan from BRAC Institution.

The findings obtained from focus group discussions, interviews, and questionnaire sessions revealed that Savings of the women helped women improve their businesses, as well as their children's school fees and all the house expenses.

4. CONCLUSION

MFIs have significantly contributed to women's empowerment by providing them with access to financial services, including loans and savings. This access has enabled women to engage in a wide range of self-employment activities, fostering the acquisition of valuable entrepreneurship skills. The positive impact of MFIs on women's income empowerment is evident. Through tailored financial services and investments in their businesses, women have been able to expand their ventures and generate sustainable income. This increase in income has translated into an improved quality of life for women and their families.

The study reveals that MFIs have played a vital role in enhancing women's social respect and status within their communities. As women became economically independent, they earned recognition and respect from peers, families, and society at large. This shift in perception has not only boosted women's confidence but also challenged traditional gender norms. The research findings align with the broader objectives of eradicating poverty and achieving the Millennium Development Goals (MDGs). MFIs have emerged as a valuable tool in promoting gender empowerment and sustainable development.

While the study celebrates these achievements, it also acknowledges the potential for further growth. As women's businesses flourish, they may transition to individual customers with stronger business acumen and collateral, making additional contributions to economic development and poverty reduction. In conclusion, Microfinance Institutions have demonstrated their pivotal role in the pursuit of gender equality and sustainable socioeconomic progress.

5. LIMITATIONS AND FURTHER STUDY

5.1 Limitations

Limitations were encountered due to the nature of the respondents, as some requested the amount they receive and benefits of BRAC microfinance. Despite explaining the significance of the study and supporting their businesses, this compensation request could have affected data availability. Efforts were made to address respondent bias through well-prepared questions, friendly conversations, and a neutral stance. Additionally, some BRAC beneficiaries found it challenging to trust the researcher's identity, requiring additional time and effort to establish trust. Experienced loan officers from BRAC Microfinance occasionally deviated from the interview guide, formulating their own questions. The researcher-maintained faithfulness to the interview guide and used interpersonal skills to ensure that responses aligned with the research objectives.

5.2 Further Study

To determine the contribution of Microfinance Institutions on increasing women's entrepreneurship skills. Lastly, recommend was to determine contribution of Microfinance Institutions to women's social respect empowerment

CONSENT AND ETHICAL APPROVAL

Ethics in research play a critical role in safeguarding the well-being and rights of research participants. In this study, ethical considerations were paramount, and several critical ethical principles were upheld to ensure that respondents did not suffer any adverse consequences due to the research. The study ensures that individuals clearly understand the study's purpose and voluntarily agree to participate. In this study, an introduction letter

from the postgraduate directory was used to request consent from organizations, aligning with the requirement for informed consent (World Medical Association, 2013). Respondents were informed that their participation was voluntary, and there were no repercussions for those who declined to participate (American Psychological Association, 2017). In the study, participants were guaranteed to keep their information confidential, aligning with ethical standards (National Institutes of Health, 2018). The data collected was used solely for academic purposes and not for undisclosed or harmful intentions by ethical guidelines (CIOMS, 2016). The researcher ensured that the whole research was ethically guided and that respondents had the privilege of refusing to answer the questions being asked if they thought that it was no longer included in their participation.

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COMPETING INTERESTS

Authors have declared that no competing interests exist.

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