

Microfinance Services and Economic Empowerment of Women of UGAFODE Mbarara Municipality, Uganda

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Abstract:- The researcher investigated the contribution of Microfinance service institutions on the Economic empowerment of women in UGAFODE Mbarara Municipality. The study pursued a quantitative approach, the study population was 100 women clients and staff from where a sample of 80 respondents were selected using Purposive sampling and simple random techniques. Study findings revealed that Microfinance credit have enabled women to startup businesses and earn income as given by 90% in agreement, higher mean of 4.05 and a less standard deviation of 0.57. Results also revealed that Microfinance credit enable women to purchase property like land, animals, furniture, solar and pay school fees for their children and they have been able to participate in the leadership positions as given by high mean of 4.08 and a less standard deviation of 0.72. Results furthermore revealed that there is a strong positive correlation of 0.745 between the micro finance services provided and women economic empowerment that is statistically significant at p-value of $0.000 < 0.05$. Based on the research findings, researcher recommends that MFIs should reduce on the interest rates, increase the amount given as loans to the clients and assess repayment capabilities before loan provision. Further, the researcher recommends that MFI clients in other MFIs should be trained thoroughly before undertaking credit facilities for an enterprise, use money for intended purposes only and avoid money misuse and diversion of funds.

I. GENERAL INTRODUCTION

1.0 Introduction

This chapter presented the Background of the study, Problem statement, Objectives of the study, research questions, Scope of the study and Significance of the study. The study centered on the influence of Microfinance institution services on the Woman Economic empowerment in Mbarara Municipality.

1.1 Background of the study

Throughout the history of the development process, the development practitioners have tried to identify strategies that could promote the level of the women's participation in the race for development. And various interventions such as Microfinance service lending have been put in place to target women in a bid to improve their economic status. Such developments are instrumental in changing the poverty patterns in view of improved facilities to lessen the challenge posed by startup capital. Microfinance is known to have changed people's lives and revitalized communities (Economic & Fund, 2006).

Microfinance is defined differently by different researchers from different point of view. Some viewed it as a tool for poverty reduction and others for women's empowerment. According to Noreen (2011), Microfinance is a type of banking service which provides access to financial and non-financial services to low income or unemployed people. For Van Maanen (2004), microfinance is about banking the un-bankable, bringing credit, savings and other essential financial services within the reach of the poorest to be served by regular banks, in most cases because they are unable to offer sufficient collateral. And for this study, the researcher conceptualized Microfinance as provision of financial services to low income clients including the self-employed.

On the other hand, NailaKabeer (1999) has explained the concept of women's empowerment as the process by which those who have been denied the ability to make strategic life choices acquire such ability. This ability incorporates three inter-related dimensions and is defined as the ability to access current and future claims to both material and social resources. This includes decision-making, negotiation, deception and manipulation; and achievements that are the well-being outcomes. Empowerment hence can be defined as a multidimensional process that enables women to realize their identity and power in all spheres of life. Empowerment provides greater

access to resources, more autonomy in decision making, greater ability to plan lives and more control on the circumstances that influence lives.

Uganda as a partner state to the UN General Assembly initiated the establishment of microfinance institutions in 2005, however before then; Uganda, the Microfinance service industry began in thoughtful after the 1993 financial sector reform, which created a relatively free operating environment (Rhyne & Christen, 1999). The country has several Microfinance service institutions issuing loans and deposit facilities to the various communities. The institutions include UGAFODE, Brac Uganda, Faulu now, Opportunity Uganda, Bayport, Pride Microfinance and among other small self-help groups that organize themselves for purposes of accumulating savings and lending to members. In all these Microfinance service institutions, women have always taken an active role and keen interest in the provided services due to their disadvantaged positions in the commercial banks. This study focused on UGAFODE Mbarara Municipality where Microfinance services had existed for a period of time.

1.2. Statement of the problem

Microfinance services have been applied as a poverty eradication strategy in a way to provide low-income people with small loans, micro-credits and other Microfinance services as a drive to exploit their productivity and develop their business to improve their livelihoods (UNDP, 2005). However with the existence of Microfinance services in Mbarara Municipality, Uganda for a long period of time, there is lack of information on its good practices, magnitude of its benefits to women and how the loans are utilized in order to attain economic empowerment.

With gender aligned poverty still existing amidst the attempts of provision of microfinance services, it creates room for exploring how far the sector has benefited the women in Mbarara Municipality. The study sought to investigate the reasons behind gender aligned poverty despite the existence and operations of different micro finance services in Mbarara municipality.

1.3 General objective

The general objective of the study was to determine the contribution of Microfinance service institutions on the Economic empowerment of women in UGAFODE Mbarara Municipality.

1.3.1 Specific objectives

- i) To determine the impact of Microfinance services on economic benefits enjoyed by women in UGAFODE, Mbarara Municipality.
- ii) To assess the challenges faced by women in accessing micro finance services in UGAFODE, Mbarara Municipality.

- iii) To establish the best ways of improving access and utilization of microfinance services by women in UGAFODE, Mbarara Municipality.

1.4 Research questions

The research will be guided by the following questions;

- i) What is the impact of Microfinance services on economic benefits enjoyed by women in Mbarara Municipality?
- ii) What are the challenges faced by women in accessing the Micro finance services in Mbarara Municipality?
- iii) What are the best ways of improving access and utilization of Microfinance services by women in Mbarara Municipality?

1.5 Scope of the study

1.5.1 Content Scope

The study investigated the influence of Microfinance service institutions on the Economic empowerment of women in Uganda.

1.5.2 Geographical Scope

The study was carried out in Mbarara Municipality, focusing on Limited (MDI) as the Microfinance services provider. Mbarara Municipality is located in south western Uganda in Ankole sub-region. The study respondents were residents of UGAFODE employees, Mbarara municipality and its clients.

1.5.3 Time Scope

The researcher collected information related to the period August 2018 which she believes is reasonable enough to determine the impact of Microfinance services on someone.

1.6 Significance of the study

The study will generate information to improve management of Microfinance service institutions in order to create a positive economic impact on the lives of women and their families.

The findings will generate information of great use to students pursuing Microfinance service studies at higher institutions of learning and other organizations interested in understanding Microfinance service operations and performance.

Furthermore, the study finding will help policy makers especially the Ministry of Finance to develop relevant policies aimed at regulating the operations of Microfinance service institutions to ensure that citizens especially women benefit more from Microfinance service institutions.

1.7 Conceptual Framework

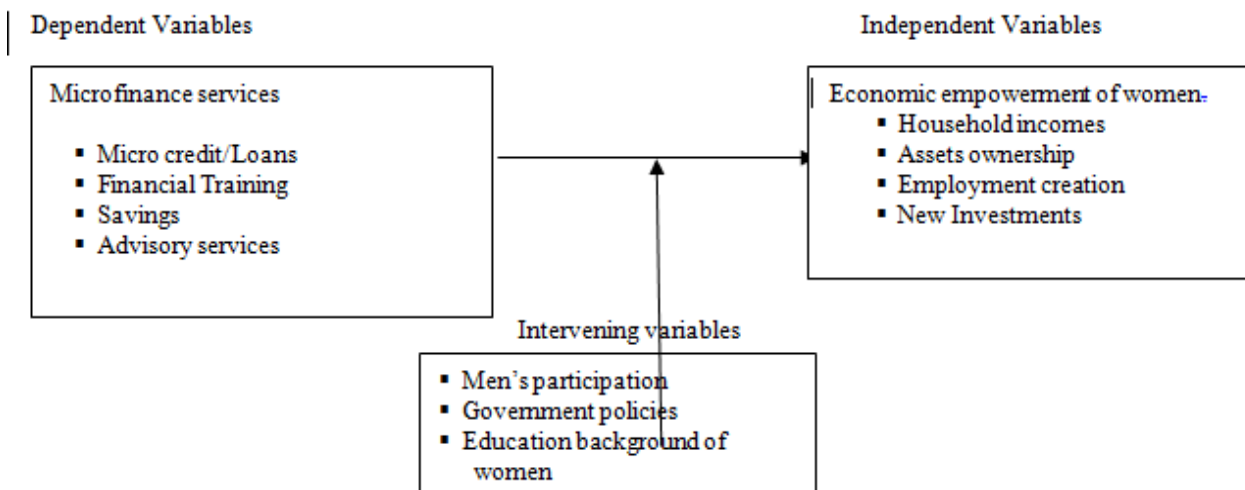


Figure 1: Showing the influence of Microfinance service institutions on the Economic empowerment of women.
Source: Researcher 2019

The conceptual framework above explains the influence of Microfinance service institutions (independent variable) on the Economic empowerment of women (dependent variable). This framework has been built on the assumption that to achieve Economic empowerment of women there is a need for Microfinance institutions to empower women for their financial prosperity through provision of loans, financial training and other advisory services.

II. RESEARCH METHODOLOGY

2.0 Introduction

This chapter entailed the research design, study population, sample size determination and sampling procedure, data collection instruments and data sources, Validity and reliability analysis, data processing and analysis as well as ethical considerations.

2.1 Research design

The dissertation was moderated around a case study design. According to Sekaran (2003), this type of research design enables thorough analysis of the issues under study. Case studies also probe deeply and in an intense manner as well as analyze interactions between factors that produce change or growth (Amin, 2005).

The study pursued a quantitative approach which was appropriate in answering the research questions under investigation (Britten, Jones, Murphy, & Stacy, 1995). The researcher took on a cross sectional survey design in order to minimize the time and costs involved.

2.2 Study population

The study population comprised of 100 women clients and staff from the Credit section, Research and Development department, Management and customer relations departments of UGAFODE Micro Finance Limited, Mbarara branch.

2.3 Sample size determination and sampling procedure

The sample size was determined basing on the extent to which the sample is representative of the population (Krejcie & Morgan, 1970). In this study, the researcher used Krejcie & Morgan, (1970) sample determination table from where the sample size of 80 respondents was determined as shown in appendix C. These comprised of both women clients and the UGAFODE micro finance staff.

Purposive sampling technique was employed while interviewing the Microfinance staff that were perceived by the researcher to have vast information in relation to study objectives. Simple random sampling technique was used in the selection of women clients of the micro finance in order to give everyone equal opportunity to respond to our questions in relation to the study objectives.

2.4 Data collection instruments and data sources

The following instruments were used to collect the required data;

2.4.1 Questionnaire

This required the researcher to design questions according to the study objectives. The questionnaires were both guided and self-administered depending on the literacy capabilities of the respondents. The questionnaires were distributed to selected UGAFODE staff and women clients. The questionnaire was chosen because it collects first-hand raw data with minimum errors from respondents and gives them ample time to give relevant information.

2.4.2 Interviews.

To supplement the use of questionnaires, face to face interviews were also used. These helped the researcher to probe and seek more clarification on answers provided by respondents through questionnaires. The researcher also developed an interview guide to enable her structure the interviews and save time. Interviews were carried out on a few staff members of UGAFODE, Mbarara Municipality.

2.4.3 Sources of data

The researcher used primary data that was collected from the respondents with the guide of both interview guide and research questionnaire.

2.5 Validity and reliability of data

Validity refers to the degree to which a test measure, what it is supposed to measure and consequently permits appropriate interpretation of scores. The researcher was helped by the supervisors who examined and conformed content validity by checking the items and content coverage, relevance, clarity of both interview guide and questionnaire, persistency and ambiguity. The researcher further carried out a content validity test from where she realized 0.82 ratio that is greater than 0.7 hence good fit.

Reliability refers to the degree to which an assessment tool produces stable and consistent results. (Mugenda 2008). After the validity testing of the research instrument, the researcher took on a pilot study to pretest the research instruments. The study was undertaken on 8 staff members of UGAFODE, Mbarara Municipality. The researcher analyzed the data collected from the respondents and a Chronbach Alpha test of $0.91 > 0.7$ was realized hence a good fit.

2.6 Data processing and analysis.

After data collection, it was cleaned, edited in order to discard unwanted and irrelevant information, verify the data and check for consistency, entered and analyzed using SPSS 20. The findings were presented in form of frequency distribution tables and percentages, interpreted and

3.1 Bio Data of Respondents

This section entails analysis of the respondents' information in relation to their Gender, Marital status, age, education level, occupation and number of dependents the respondent had as they were deemed necessary to be amongst that factors that influence characters under study.

Table 1: Showing gender, marital-status, Age, Education level, Occupation and Number of dependents of the respondents

S/N	Category	Response	Frequency	Percentage
1	Gender	Male	07	09
		Female	73	91
2	Marital status	Single	26	33
		Married	54	67
3	Age	20-29 Years	02	03
		30-39 years	10	12
		40-49 years	44	55
		50 and above	24	30
4	Education Level	Bachelor	10	12
		A level	24	30
5	Occupation	Office work	40	50
		Peasants	12	15
		Self employed	28	35
6	Number of dependents	None	02	02
		1-4	22	28
		5 and above	56	70

Source: Primary data 2019

discussed in relation to the research objectives. The researcher further run a Pearson correlation analysis to investigate whether there is a relationship between the micro finance services provided and Women economic empowerment. Further the researcher run a regression and AVOVA analysis to investigate the strength of the relationship.

2.7 Ethical considerations

The researcher sought an introductory letter from the School of graduate Studies and Research that explained her well of the purpose of her research. The researcher considered the research values of voluntary participation, privacy and protection of respondents from any possible harm that could arise from participating in the study. The researcher also assured the respondents of their privacy, secrecy and confidentiality and further emphasized that their responses were to be treated with utmost secrecy and be used for academic purposes only.

III. PRESENTATION AND ANALYSIS OF DATA FINDINGS

3.0. Introduction

The study aimed at establishing the influence of microfinance institutions in the economic development of women in Uganda. The study area was UGAFODE, Mbarara Municipality, Mbarara district. And therefore this chapter introduces analysis of the bio data of respondents and further analysis in relation to the study objectives and the results are as below.

Majority (91%) of the respondents were females and only 09% were males. The women, being the main actors in microfinance and also for this study could be as a result of the fact that they are very sympathetic to the welfare of their household members. Hence try to get involved in activities that enable them earn income in order to participate in the perchance of daily necessities as well as social services such as health, education and land. This aligns with Goodland et al (1999) who asserted that women have a special position in the provision of microfinance because they are often among the poor and they make a substantial contribution to a country's development.

Most (67%) of the respondents were married and a smaller percentage (33%) were single. The findings show that the majority of the respondents 67% were either legally or traditionally married. This could be attributed to the fact that marriage is a traditional and cultural phenomena, therefore women value it.

Only (03%)of the respondents in the age bracket of 20-29 years, 12% 30-39 years, 55% 40-49 years and 30% 50 and above. The majority of respondents who were 55% were in the age bracket of 40-49 years.

A small fraction (12%) of the respondents were bachelor's holders, 20% diploma and certificate holders, 30% a level and 38% O level. With the majority of which 50% were office workers, 15% were peasants and 35 % were self-employed. The study finding indicated that

majority respondents were salary earners followed by self-employed. The respondents that had 5 and above dependents majority (70%) 2% had none and 28% had 1-4 dependents. The number of dependents featured as a contributory factor to the need and utilization of the loan from the MFI. This is because the bigger the family, the greater the demands for the basic necessities of life like food, clothing, shelter and education.

3.2: Analysis of the study findings in relation to the research objectives.

This section analysis the three objectives of; determine the impact of Microfinance services on economic benefits enjoyed by women in Mbarara Municipality, assess the challenges faced by women in accessing micro finance services in Mbarara Municipality and determine the best ways of improving access and utilization of microfinance services by women in Mbarara Municipality.

3.2.1 Economic Benefits enjoyed by women from MFIs.

In this section, the researcher intended to assess the benefits that women economically attain through cooperating and doing business with the MFIs and in particular UGAFODE Mbarara branch. And below is the detailed analysis.

Key:

S.A, Strongly Agree; A, Agree; N, Neutral; D, Disagree; SD, Strongly Disagree

Table 2: Showing the Economic benefits enjoyed by women from the MFI services

Benefits		S.A	A	N	D	S.D	Mean	std. deviation
	Statement							
1	Microfinance credit have enabled women to startup businesses and earn income	17(20)	56(70)	3(4)	2(3)	2(3)	4.05	0.57
2	Microfinance credit have enabled women to purchase property like land, animals, furniture and solar	21(26)	39(49)	5(6)	10(13)	5(6)	3.76	1.33
3	Microfinance credit have enabled women to pay school fees for their children and they have been able to participate in the leadership positions	24(30)	46(57)	2(3)	8(10)	0	4.08	0.72
4	Microfinance institutions provide cheaper loans to women	22(28)	30(37)	3(4)	21(26)	4(5)	3.56	1.62
5	MFIs provide Women with entrepreneurial guidance and skills	13(16)	47(58)	2(3)	12(15)	6(8)	3.61	1.31
6	Women have positive attitude and perceptions towards Microfinance borrowing	11(14)	33(41)	4(5)	24(30)	8(10)	3.19	1.63
7	There is a formal structure upon which loan schemes are levied for women prosperity and development programs in this area	22(28)	51(63)	4(5)	3(4)	0	4.15	0.45
8	There is a formal tax policy and procedure employed by the Microfinance institutions to assist small scale business women operate efficiently and effectively to have better performance results	18(22)	30(37)	8(10)	22(28)	2(3)	3.50	1.4
9	There is a positive relationship between Microfinance institutions and Economic empowerment of women	24(30)	42(52)	0	11(14)	3(4)	3.91	1.18

Source: Primary data 2019

From the table 2 above, the study findings revealed that 90% agreed that Microfinance credit have enabled women to startup businesses and earn income where as 6% disagreed and 4% were not sure. The majority in agreement implies that microfinance institutions are much helpful in provision of startup capital to the women. This is further supported by a higher mean of 4.05 and a less standard deviation of 0.57.

The study findings further assessed whether Microfinance credit have enabled women to purchase property like land, animals, furniture and solar from where the study findings revealed that 75% agree that microfinance credit enables women to purchase property whereas 19% disagree. With the highest majority being those that agreeing implies that women have actually benefited from microfinance credit as evidenced by a 3.76 and a less standard deviation of 1.33. This is supported by a statement from one of the women clients at UGAFODE Mbarara branch who was quoted saying that “I have been able to get a top-up payment to the land I bought in Kashaka with use of the Microfinance loan”.

On whether Microfinance credit have enabled women to pay school fees for their children and they have been able to participate in the leadership positions, 87% agreed to the statement as the 10% disagreed whereas 3% were not certain. This explains that the microfinance institutions are helpful to parents in a way that the provide them with school fees loans that help them educate their children and this was further explained by a high mean of 4.08 and a less standard deviation of 0.72.

On whether Microfinance institutions provide cheaper loans to women, 65% respondents were in agreement whereas 31% disagreed and 4% were not sure. This implies that microfinance provide relatively cheaper loans however a larger number in disagreement shouldn't be left alone implying that some people consider microfinance loans a little expensive. This is further explained by a relative mean of 3.56 and a standard deviation of 1.62.

The researcher went on MFIs provide Women with entrepreneurial guidance and skills and the study findings revealed that 74% were in agreement, 3% not sure and 23% contrary. This implies that MFIs are helpful in developing with through provision of enterprise schemes and development as explained by a mean of 3.61 and a standard deviation of 1.31.

On whether Women have positive attitude and perceptions towards Microfinance borrowing, 55% agreed, 5% were not sure and 40% were contrary. This explains the fact that with respect to borrowing, majority of the people have a negative perception to do so as some fear the inability to pay back. This is further supported by a client who was quoted saying “if I had my own money, I wouldn't be borrowing, I actually borrow at the last resort as I fear holding other people's money”. And this is in line with a slightly high mean of 3.19 and a standard deviation of 1.63.

Study findings further revealed that there is a formal structure upon which loan schemes are levied for women prosperity and development programs in this area as given by 91% in agreement, 5% not sure and only 4% in disagreement. This implies that there are formal systems in place that guide loan provision for women as further explained by a high mean of 4.15 and a low standard deviation of 0.45.

In addition, results revealed that there is a formal tax policy and procedure employed by the Microfinance institutions to assist small scale business women operate efficiently and effectively to have better performance results as evidenced by 59% in agreement, 10% were not sure and 31% in disagreement. This is further explained by a high mean of 3.5 and a normally distributed standard deviation of 1.4.

On whether there is a positive relationship between Microfinance institutions and Economic empowerment of women, 82% were in agreement and 18% disagreed. A high percent in agreements explains that there is a relationship between the services provided by MFIs and the economic empowerment of women as further given by a high mean of 3.91 and a low standard deviation of 1.18.

3.2.2. Challenges faced by women in accessing micro finance services

This section assesses the challenges that women face through accessing loans from MFI services and their overall cooperation with the Micro finance institutions. And the results are given in the table below.

Key:

S.A, Strongly Agree; A, Agree; N, Neutral; D, Disagree; SD, Strongly Disagree

Table 3: Showing the challenges faced by women in accessing micro finance services

	Challenges	S.A	A	N	D	S.D	Mean	Std. Deviation
1	Small amounts given at a time and short repayment period is a big challenge in Microfinance transactions	18(23)	41(51)	1(1)	17(21)	3(4)	3.68	1.32
2	Difficulties in fulfilling the repayment schedules is a still a big challenge for creditors	8(10)	30(37)	4(5)	28(35)	10(13)	2.98	1.62
3	The existence of very conservative lending practices hinders the possibility of women to obtain loans	16(20)	28(35)	3(4)	24(30)	9(11)	3.23	1.85
4	The demand for collateral and guarantees for loans extension hampers the acquisition of loans by women	14(17)	47(59)	2(3)	17(18)	0	3.73	0.97
5	The graduation of loan level from one to other is very slow.	18(23)	42(52)	0	17(21)	3(4)	3.69	1.31
6	The religious attitude towards conventional lending limits the possibility of women to apply for loans from Microfinance institutions.	13(16)	28(35)	4(5)	27(34)	8(10)	3.14	1.72
7	The negative perceptions of the society's members against women who want to start their own businesses restrict and demotivate them to apply for loans	6(7)	39(49)	0	20(25)	15(19)	3.01	1.78
8	The extension of very small loans does not really serve the purpose of the women clients especially if it needs long period of time to graduate from one loan to another.	11(14)	48(60)	0	14(17)	7(9)	3.53	1.4
9	The very high interest rate creates fear in women regarding the ability to repay it back which lead to not applying for the loan.	8(10)	38(48)	2(2)	14(17)	18(23)	3.05	1.95

Source: Primary data 2019

In abide to understand the challenges faced by women in accessing MFIs services, results from table 3 revealed that small amounts given at a time and short repayment period is a big challenge in Microfinance transactions as given by 74% in agreement with the statement, 25% were contrary and only 1% was not sure. This was further supported by a woman client who was quoted saying that “the organization doesn’t give us a lot of money and in most times the payment period is short which makes it hard for us to invest the money as before the investment is stable, we are getting the business earnings to pay interest of the loan”. And this is further supported by a mean of 3.68 and 1.32 standard deviation.

On whether there are difficulties in fulfilling the repayment schedule is a still a big challenge for creditors, results showed that 47% were in agreement, and 5% not sure and 48% contrary. This implies that there is moderate repayment schedules that are realist as given by a mean of 2.98 and 1.62 standard deviation.

The researcher investigated whether the existence of very conservative lending practices hinders the possibility of women to obtain loans and results revealed that 55% were in agreement, 4% not sure and 41% in contrary. This implies that conservative practices limit women from accessing loans as further explained by a high mean of 3.23 and 1.85 standard deviation.

In addition, results revealed that demand for collateral and guarantees for loans extension hampers the acquisition of loans by women as 76% were in agreement, 18% contrary and only 3% not sure. This implies that the demand for collateral limits women’s acquisition of loan as most times they don’t have the security which hampers there development. This is further supported by a credit officer who was quoted saying that “most women have agricultural foodstuffs and animals like goats which are not reliable collateral which influences that amount of money given to them in form of loans”. This is further supported by a high mean of 3.73 and a low standard deviation of 0.97.

With respect to the graduation of loan level from one to other being very slow, 75% agreed and 25% contrary as further explained by 3.69 and a normally distributed standard deviation of 1.31.

The researcher went ahead to investigate whether the religious attitude towards conventional lending limits the possibility of women to apply for loans from Microfinance institutions and study findings revealed that 51% were in agreement, 5% not sure and 44% contrary. The mean of 3.14 and a high standard deviation of 1.72 explain that however much the religion is influential in the money lending, it’s not much.

On whether negative perceptions of the society's members against women who want to start their own businesses restrict and demotivate them to apply for loans, results revealed that 56% were in agreement and 44% disagreed. This is further explained by a mean of 3.01 and a standard deviation of 1.78.

On whether the extension of very small loans does not really serve the purpose of the women clients especially if it needs long period of time to graduate from one loan to another, 74% agreed and 26% disagreed. This was further supported by a high mean of 3.53 and a normally distributed standard deviation of 1.4.

On whether the very high interest rate creates fear in women regarding the ability to repay it back which lead to not applying for the loan, study findings revealed that 58% agreed, 2% not sure and 30% contrary. This implies that to some extent high interest rates influence the amount borrowed. This is further explained by a mean of 3.05 and high standard deviation of 1.95.

3.2.3: Best ways of improving access and utilization of microfinance services by women

This section analyzes that ways through which women can best improve access and utilization of micro finance services attained from MFIs as given table 4 below.

Table 4: Showing the ways of improving access and utilization of microfinance services by women

	Statement	S.A	A	N	D	S.D	Mean	Std. Deviation
1	Women also acquire skills of money management, greater control over resources and access to knowledge which lead to greater economic choices	16(20)	42(52)	3(4)	11(14)	8(10)	3.59	1.52
2	Institutions demonstrate how women can use the credit rightly, products and service delivery methods that generated high payments, covered costs and could be taken to significant scale.	18(23)	38(48)	4(5)	11(14)	7(9)	3.54	1.48
3	Women haven and they exercise financial and high repayment discipline	20(25)	44(55)	0	16(20)	0	3.85	1.03
4	Women tend to utilize the credit for the purpose it was acquired	18(23)	43(54)	2(2)	15(19)	2(2)	3.75	1.16
5	Institutions use strict and stringent policies such as credit policy, donor policy, solidarity group credit with weekly meetings and installment period and insist on weekly repayment of all group members	28(35)	39(49)	0	11(14)	2(2)	4.00	1.13

Source: Primary data 2019

Key:

S.A, Strongly Agree; A, Agree; N, Neutral; D, Disagree; SD, Strongly Disagree

In a move to understand the ways through which women improve utilization of MFI services, the study results revealed that women also acquire skills of money management, greater control over resources and access to knowledge which lead to greater economic choices as given by 72% in agreement, 24% contrary and only 4% note sure. This is further explained by a high mean of 3.59 and a normally distributed standard deviation of 1.52.

Results furthermore showed that Institutions demonstrate how women can use the credit rightly, products and service delivery methods that generated high payments, covered costs and could be taken to significant scale as 71% agreed with the statement, 5% not sure and 23% contrary. This implies that women don't only attain loans but also acquire wisdom on profitable business ventures as further explained by a high mean of 3.54 and a normal distribution standard deviation of 1.48.

On whether women haven, exercise financial and high repayment discipline, results revealed that 80% were in agreement and 20% in contrary. This explain the fact that

borrowed funds are always spent on purpose as its misuse results into repayment failures and other consequences as noted by a woman client quoted saying that "when is borrow money, I have to use it for investment in order to earn a profit and also be in position to pay interest" and in this way is that women attain the financial disipline techniques. This is further explained by a mean of 3.85 and a low standard deviation of 1.03.

In addition, study findings showed that women tend to utilize the credit for the purpose it was acquired as given by 77% in agreement, 2% not certain and 21% contrary. This is further explained by a high mean of 3.75 and a low standard deviation of 1.16.

Furthermore, results revealed that institutions use strict and stringent policies such as credit policy, donor policy, solidarity group credit with weekly meetings and installment period and insist on weekly repayment of all group members as agreed by 84% and 16% contrary which explain that women tend to be conditioned to making weekly payments that in turn explains their financial behavior in relation to loan utilization as evidenced by a high mean of 4.0 and that standard deviation of 1.13.

3.2.4 Correlation Analysis between Microfinance services and Economic Empowerment of women.

A correlation coefficient was used to establish whether there was a relationship between micro finance services and

women economic empowerment. Pearson correlation matrix was used to establish the relationship between the variables of the study and results are given in the table 5 below.

Table 5: Showing the Correlation Analysis between micro finance services and women economic empowerment.

		Microfinance Services provided	Women Economic Empowerment
Microfinance Services provided	Pearson Correlation	1	0.745(**)
	Sig. (2-tailed)		0
	N	80	80
Women Economic Empowerment	Pearson Correlation	0.745(**)	1
	Sig. (2-tailed)	0	
	N	80	80

Source: Primary data 2019

From table 5 above, the correlation coefficient of 0.745 indicate a strong positive correlation between the micro finance services provided and women economic empowerment. And this is statistically significant since the p-value of 0.000 < 0.05.

3.2.5. Regression Analysis between Microfinance services and Economic Empowerment of women.

A regression analysis was conducted to test the strength of the relationship between Microfinance services and Economic Empowerment of women and the results are as given below.

Table 6: Showing the Regression Analysis between Microfinance services and Economic Empowerment of women.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.745(a)	0.556	0.552	0.239

a Predictors: (Constant), Microfinance services

Source: Primary data 2019

The regression model in table 6 above shows coefficient of determination (Adjusted R square) value of 0.552 between Microfinance services and Economic Empowerment of women suggesting that 55.2% variations in the women economic empowerment are attributed to the micro finance services provided to them.

In an attempt to test whether there is a statistical mean difference between Microfinance services and Economic Empowerment of women, the researcher run a one way ANOVA test and the results are as in table 7 below.

Table 7: One way ANOVA for Microfinance services and Economic Empowerment

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.642	3	2.214	6.928	0.000
Within Groups	48.26	76	0.635		
Total	54.902	79			

Source: Researcher 2019

The study findings revealed that there is a statistical mean difference between Microfinance services and Economic Empowerment of women since the p-value of 0.000<0.05 as shown in table 7 above. Therefore Micro Finance services provided significantly influence the level of Economic Empowerment of women at UGAFODE Mbarara branch.

IV. SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

4.0 Introduction.

This section introduces the summary of the study findings, discussion, conclusions, study recommendations and area of further research.

4.1 Summary of the study findings

Study findings revealed that Microfinance credit have enabled women to startup businesses and earn income as given by 90% in agreement and a higher mean of 4.05 and a less standard deviation of 0.57. Study findings further

revealed that Microfinance credit have enabled women to purchase property like land, animals, furniture and solar. MFI credit have enabled women also to pay school fees for their children and they have been able to participate in the leadership positions as given by high mean of 4.08 and a less standard deviation of 0.72 and that there is a formal structure upon which loan schemes are levied for women prosperity and development programs in this area as given by mean of 4.15 and a low standard deviation of 0.45.

Study findings revealed that small amounts given at a time and short repayment period is one big challenges in Microfinance transactions as given by a mean of 3.68 and 1.32 standard deviation. Demand for collateral and guarantees for loans extension hampers the acquisition of loans by women and that graduation of loan level from one to other being very slow as given by 76% and 75% in agreement respectively.

Results revealed that women also acquire skills of money management, greater control over resources and access to knowledge which lead to greater economic choices. Institutions demonstrate how women can use the credit rightly, products and service delivery methods that generated high payments, covered costs and could be taken to significant scale as shown by the mean of 3.54 and standard deviation of 1.48. And that women haven, exercise financial and high repayment discipline as given by a mean of 3.85 and a low standard deviation of 1.03.

4.2 Discussion of study findings

The correlation coefficient of 0.745 indicate a strong positive correlation between the micro finance services provided and women economic empowerment that is statistically significant since the p-value of $0.000 < 0.05$. This correlates with the study by Kabeer, (2005) on the review of Microfinance service efforts from various parts of the world that suggested that access to Microfinance services had had a positive economic impact as members begin to invest in assets rather than consumption.

Study findings revealed that small amounts given at a time and short repayment period, Demand for collateral and guarantees for loans extension hamper the acquisition of loans by women and existence of very conservative lending practices hinders the possibility of women to obtain loans. This aligns with the study by the Social Fund for Development and gender studies (2011) that reported that existence of very conservative lending practices hinder women's possibility to obtain loans and contribute to the improvement of their household standards of living. And further that demand for collaterals and guarantees for loans extension hinder the development of the home based conventional activities and restricts the growth of business.

Study results revealed that women also acquire skills of money management, greater control over resources and access to knowledge which lead to greater economic choices as given by 72% in agreement and a mean of 3.59. This correlates with the study by UNDP in 2005 that revealed that Women acquire skills of money management, greater

control over resources and access to knowledge which lead to greater economic choices. In addition, women proceed from their income generating activities for the benefit of the family as a whole. Furthermore, results revealed that institutions use strict and stringent policies such as credit policy, donor policy, solidarity group credit with weekly meetings and installment period and insist on weekly repayment of all group members as agreed by 84%, high mean of 4.0 and standard deviation of 1.13.

4.3 Conclusions

Based on the study findings, it can be concluded that Microfinance credit enable women startup businesses and earn income, women purchase property like land, animals, furniture and solar using MFI credit. MFI credit have enabled women also to pay school fees for their children and they have been able to participate in the leadership positions and that there is a formal structure upon which loan schemes are levied for women prosperity and development programs at UGAFODE Mbarara Municipality.

Furthermore, it can be concluded that amongst the challenges affecting women in accessing credit are that small amounts are given at a time and short repayment period, demand for collateral and guarantees for loans extension hampers the acquisition of loans by women and that graduation of loan level from one to other being very slow, negative perceptions of the society's members against women who want to start their own businesses restrict and demotivate them to apply for loans and also that high interest rate creates fear in women regarding the ability to repay it back.

In addition based on the study findings, it can be concluded that women acquire skills of money management, greater control over resources and access to knowledge which lead to greater economic choices. Institutions demonstrate how women can use the credit rightly, products and service delivery methods that generated high payment. And that women haven, exercise financial and high repayment discipline.

4.4 Recommendations of the study

Based on the research findings, MFIs should reduce on the interest rates, increase the amount given as loans to the clients and assess repayment capabilities before loan provision. And that MFIs should continuously supervise, monitor and follow up their clients adequately and closely to avoid diversion of funds, to network and collaborate with other.

MFIs in the area should improve on customer care and not to rely on groups only but also consider individuals on merit as well. The government is urged to get involved in determining the interest rate, centralize the interest rates such that the rate is uniform for the MFIs and also monitor the services of the MFIs. Government should protect the borrowers from the MFIs and also provide community sensitization and training guidelines for the access and utilization of MFI services.

The researcher recommends that MFI clients in other MFIs should be trained thoroughly before undertaking credit facilities for an enterprise, use money for intended purposes only and avoid money misuse and diversion of funds. The clients are also urged not to move from one MFI to another but rather study the operation of the MFI before accessing its services and also support each other with skills, supervision and monitoring as a group.

4.5 Suggested areas of further research

The recommended areas of further research are;

- i) The influence of microfinance institutions in the fight against poverty in Uganda
- ii) Microfinance institutions and the growth of small scale enterprises

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