

**THE ROLE OF WOMEN'S SAVINGS AND CREDIT GROUPS IN THE
ALLEVIATION OF POVERTY IN EASTERN PART OF ARUMERU DISTRICT,
TANZANIA.**



MARIA JOHN MONGI



**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN RURAL
DEVELOPMENT OF SOKOINE UNIVERSITY OF AGRICULTURE.
MOROGORO, TANZANIA.**

9000158

2005

15 MAY 2006

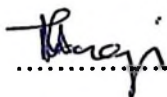
ABSTRACT

This study presents the role of women's savings and credit groups in the alleviation of poverty in eastern part of Arumeru District. The overall objective was to assess the extent to which women's savings and credit groups contribute to alleviating poverty at the household level. The specific objectives were; to identify women's savings and credit groups, compare the level of well being among members and non members of women's savings and credit groups, identify socio-economic and socio-cultural constraints encountered by women's savings and credit groups in their efforts towards alleviating poverty, determine whether the activities performed by women's savings and credit groups are sustainable. Cross-sectional research design was adopted by using open and closed ended questionnaires from a sample size of 100 respondents (50 women's savings and credit group members and 50 non group members). Other information on savings and credit were gathered from selected key informers. Data analysis was done using Statistical Package for Social Sciences (SPSS). Study results revealed that women who were members of savings and credit groups had a higher income which implied that the effectiveness of credit on poverty alleviation is higher among the women's savings and credit group members compared to non members. Impact of credit on poverty alleviation was positive among all the recipients of credit: assets, income and savings increased. About (92%) of members respondents were confident that their activities would be sustainable even if lending to them stopped since their capital had grown and they had some savings and entrepreneurial skills. All these together have confirmed the improvement of individual members productivity and hence improving the livelihood of group's members. The study recommends that formal, semi-formal, informal micro finance institutions and an individual moneylender to continue lending credits to poor women but

while controlling various lenders, activities and borrowers related factors that may reduce credit effectiveness among borrowers. For more effectiveness of the role played by women credit recipients on poverty alleviation, credit providers are urged to review from time to time their policies for credit provision with more attention to amounts of credit provided, interest rates charged, and grace periods allowed for various activities.

DECLARATION

I MARIA JOHN MONGI do hereby declare to the SENATE of Sokoine University of Agriculture that this dissertation is my own original work, and has not been submitted for a higher degree in any university.

Signature: 

Date:10/10/2005.....

COPYRIGHT

No part of this dissertation may be produced, stored in any retrieval system or transmitted in any form or by any means without prior permission of the author or Sokoine University of Agriculture in that behalf.

ACKNOWLEDGEMENTS

I thank Almighty God who helped every step in my studies.

I wish to express my sincere gratitudes to my beloved parents whom I shall always remain greatly indebted for their untiring love, moral, material support and who laid the foundation stone of my education. My heartfelt appreciation also goes to my sisters and brothers for their moral support during the whole period of my study.

Furthermore, special thanks should go to my everlasting husband Andrew J. Lyimo whose prayers, love, and care have always been a source of strength and encouragement to me throughout the course of my study.

My profound gratitude also goes to my supervisor, Professor D.S Kapinga for his guidance, patience, moral support and understanding from the initial stages of writing the proposal up to the time of production of this dissertation.

I am also gratefully indebted to my employer CASEC for financing part of my studies at the Sokoine University of Agriculture and for granting me a study leave. I say thank you for the support without which, it would not have been possible for me to undertake the study.

I would like also to thank the coordinator of WEGCC Mrs Joyce Mwanga and the Credit Officer Mr Gibson Mwaya for their support during the survey exercise as well as the WEGCC Committee members respectively for their cooperation which enabled me to smoothly carry out survey exercises. Special thanks are extended to all the respondents in the four wards for their patience and support throughout the data collection process.

I also extend my sincere thanks to the Director of the Institute of Development Studies, Dr. Eleuther Mwageni for his constructive criticisms, guidance and advice, which helped me to improve this work. I am also grateful to all academic staff of Development Studies Institute Mr. K.A. Kayunze, Mr. A.B.S Mwakalobo, Mr J.S. Mbwambo, Mr E.E. Chingonikaya and Mr J.K. Urassa for their constructive comments, which they provided to me during research proposal development and presentation.

I would also like to thank my fellow students Mr. Mark Txoso, Mrs. K. Kayunze, Mrs. Mwita, Mrs. E. Kassanga, Ms Johari Massengi and Ms Nuru Nguya for their encouragement and assistance throughout the entire duration of this study. To them, I say thank you very much.

Since it is not possible to mention everyone, I wish to express my thanks to my colleagues and all friends who helped me in one-way or another at different stages of my studies. Their assistance and contributions are highly acknowledged.

DEDICATION

This work is dedicated to my beloved son Jonathan Andrew Lyimo.

TABLE OF CONTENTS

ABSTRACT	i
DECLARATION	iii
COPYRIGHT	iv
ACKNOWLEDGEMENTS	v
DEDICATION	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xii
LIST OF FIGURES	xiv
LIST OF APPENDICES	xv
LIST OF ABBREVIATIONS	xvi
CHAPTER ONE	I
INTRODUCTION	1
1.1 Background information of the problem	1
1.2 Problem statement	3
1.3 Problem justification	4
1.4 Objectives of the Study.....	5
1.4.1 General objective.....	5
1.4.2 Specific objectives.....	5
1.5 Hypotheses.....	6
1.5.1 Null hypothesis	6
1.5.2 Operational hypothesis	6
1.5.3 Null hypothesis	6
1.5.4 Operational hypothesis	6
1.6 The Conceptual Framework.....	6
CHAPTER TWO	9
LITERATURE REVIEW	9
2.1 Overview.....	9
2.2 Poverty and poverty alleviation	9
2.3 Women and poverty alleviation	11
2.4 Gender and poverty	12

2.5	Feminisation of poverty.....	13
2.6	Approaches to women and poverty.....	15
2.6.1	Trickle down approach.....	15
2.6.2	Women in development.....	16
2.6.3	Gender and development strategy (GAD-Strategy).....	17
2.7	Strategies and policies for poverty alleviation among women.....	19
2.8	Women as change agents for poverty alleviation.....	20
2.9	Tanzania's efforts to reduce poverty.....	22
2.10	Credit schemes and poverty alleviation.....	25
2.11	Credit schemes and women empowerment.....	26
2.12	Formal and informal financial institutions.....	27
2.13	Micro Finance and Types of Credit.....	31
2.14	Credit as capital for poverty alleviation.....	31
2.15	Savings and Credit.....	34
2.16	Status of this research in Tanzania.....	36
	CHAPTER THREE.....	37
	RESEARCH METHODOLOGY.....	37
3.1	Overview.....	37
3.2	Description of the research area and justification for its selection.....	37
3.3	Populations and environment.....	38
3.4	Research design.....	38
3.5	Sampling procedure.....	39
3.6	Sampling unit and sample size.....	39
3.7	Data collection.....	39
3.7.1	Primary data collection.....	39
3.7.2	Secondary data collection.....	40
3.7.3	Data processing and analysis.....	40
3.7.4	Limitations of the study.....	40
	CHAPTER FOUR.....	43
	RESULTS AND DISCUSSIONS.....	43
4.1	Overview.....	43
4.2	Sample characteristics.....	43
4.2.1	Age.....	43

4.2.2	Marital status.....	44
4.2.3	Education status	46
4.2.4	Household size	47
4.2.5	Estimated annual income.....	48
4.2.6.1	The one who control respondent's income.....	49
4.2.6.2	Major income earner in the family.....	51
4.3	Existence of Women's Savings and Credit Groups	52
4.3.1	Women's savings and credit groups.....	52
4.3.2	Group size.....	53
4.3.3	Objectives of forming the group	53
4.3.4	Initiatives towards women's savings and credit groups.....	54
4.3.5	Group registration	55
4.3.6	Members requirements to join a group.....	56
4.3.7	Obstacles that hinder many women to join savings and credit groups	57
4.3.8	Problems that are faced by women groups	58
4.3.9	Ways to solve women's savings and credit group problems.....	59
4.3.10	Training attended by group members' respondents so far	60
4.4	Savings and credit related matters.....	61
4.5	Conditions attached to the credit by the lender.....	61
5.6	Credit collateral.....	62
4.7	Income generating activities performed by members using the credit.....	62
4.8	Sources of income before getting credit.....	64
4.9	Level of poverty before and after the credit	65
4.10	Changes in income and expenditure among credit recipients.....	66
4.11	Assets owned before and after the credit.....	67
4.12	Deficiencies in credit provision by the lender	68
4.13	Community awareness of the existing women's savings and credit groups	68
4.14	Perception of women's savings and credit groups by the society.....	69
4.15	Hindrance factors to members in terms of their participation in women's savings and credit groups.....	70
4.16	Training with regard to operating business (IGAs) performed by non-member respondents	71
4.17	The extent that the scheme has succeeded.....	72

4.18 Sustainability of IGAs done by credit if lending stopped	74
CHAPTER FIVE.....	76
CONCLUSION AND RECOMMENDATIONS	76
5.1 Conclusion	76
5.2 Recommendations	78
5.2.1 Programme/Policy	78
5.2.2 Community Level.....	79
5.3 An area for further research	80
REFERENCES.....	81
APPENDICES	89

LIST OF TABLES

Table 1:	Key variables used in the study and their operational definitions.....	8
Table 2:	The eastern part of Arumeru District population	38
Table 3:	Distribution of respondents by age.....	44
Table 4:	Distribution of respondents by marital status	45
Table 5:	Distribution of respondents by household size	47
Table 6:	Distribution of respondents by estimated annual income.....	49
Table 7:	Distribution of respondents by who control income at the family level.....	50
Table 8:	Distribution of respondents by the major income earner in the family level.....	51
Table 9:	Distribution of members' respondents by groups	52
Table 10:	Distribution of members respondents by objectives of forming the group	54
Table: 11:	Distribution of member's respondent's by the initiatives towards formation of women's S&C groups	55
Table 12:	Distribution of respondents by the requirements to join the group.....	56
Table 13:	Distribution of member respondents by group problems	59
Table 14:	Distribution of member respondents by credit collateral.....	62
Table 15:	Distribution of member respondents by income generating activities done using the credit.....	63
Table 16:	Distribution of respondents by sources of income before getting credit	64

Tables 17:	Distribution of respondents by level of poverty before and after the credit	66
Table 18:	Distribution of member respondents by changes in income and expenditure	66
Table 19:	Distribution of respondents by the assets owned before and after the credit.....	68
Table 20:	Distribution of non-member respondents by major hindrances of many women not to participate in savings and credit groups	70
Table 21:	Distribution of respondents by the reasons for sustainability of their IGAs if lending is stopped	74

LIST OF FIGURES

Figure 1: The conceptual framework for the study of the role-played by women`s savings and credit groups in eastern part of Arumeru District..... 7

LIST OF APPENDICES

Appendix I:	Questionnaire for women's savings and credit group members	89
Appendix II:	Questionnaire for non-women's savings and credit group members	98
Appendix III:	Savings and credit officials' questionnaire	101

LIST OF ABBREVIATIONS

BEST	Business and Entrepreneurship Support Tanzania
BoT	Bank of Tanzania
CASEC	Community Aid and Small Enterprises Consultancy
FAO	United Nations Food and Agriculture Organization
GAD	Gender and Development
HBS	Household Budget Survey
IFAD	International Fund for Agricultural Development
IFIs	International Financial Institutions
IGAs	Income Generating Activities
ILO	International Labour Organisation
MFIs	Micro Finance Institutions
NGOs	Non- Governmental Organisations
NMB	National Micro Finance Bank
NPES	National Poverty Eradication Strategy
PRIDE (T) Ltd	Promotion of Rural Initiatives and Development Enterprises in Tanzania
PRSP	Poverty Reduction Strategy Paper
RDS	Rural Development Strategy
ROSCAs	Rotating Savings and Credit Associations
S&C	Savings and Credit
TAHEA	Tanzania Home Economic Association
TAS	Tanzania Assistance Strategy
TASAF	Tanzania Social Action Fund

TFNC	Tanzania Food and Nutrition Corporation
TGNP	Tanzania Gender Networking Programme
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nation Fund for Population
UNICEF	United Nations Children Education Fund
UNIFEM	United Nation International Fund for Women
URT	United Republic of Tanzania
WAD	Women and Development
WADEC	Women in Agriculture Development and Environmental Conservation
WEGCC	Women Economic Groups Coordinating Council
WID	Women in Development
WSCGMs	Women's Savings and Credit Group Members
WSCNGMs	Women's Savings and Credit Non Group Members
WS&CMs	Women Savings and Credit Members.

CHAPTER ONE

INTRODUCTION

1.1 Background information of the problem

Poverty is so broad a term that there is no generally accepted definition of it to date (Kayunze, 1998). Many researchers have attempted to define it in many ways with different purposes. For instance Kiros (1995) accounts that "Poverty does not only mean lack of food or any assets, or malnutrition, diseases and illiteracy, but also powerlessness, isolation and vulnerability to irreversible ratches of impoverishment." The United Republic of Tanzania (URT) (2000a) defines it using income and non-income human development attributes. Non-income poverty includes: low level of education, survival rate, nutrition, clean and safe drinking water, social well-being and vulnerability. The low level of income is income poverty.

Pearson (1992) asserts that, there is substantial evidence that women have consistently lost out in development process. The reason for higher incidence of poverty in women than men is lack of access to key inputs and low decision-making power. The economic, social and cultural factors in the third world have combined to produce a situation in which most development efforts have tended to discount the potential social and economic contribution of women.

What women contribute is rarely and marginally included in national statistics of production and income despite the fact that women produce more agricultural products than men (TFNC and TAHEA, 1987). Studies show that women present a critical resource

in the development process. Access to, control over resources and education result to women becoming an increasingly important dynamic force (Mbughuni, 1994).

Women of different ages and status are being engaged in various economic activities such as savings and credit schemes to generate income for reducing poverty by sustaining some household economic needs. International Labour Organization (ILO) (2001) estimated that in the mid 1980s, about 54% of women were commercially active in agriculture. Approximately 98% of rural women classified as economically active are engaged in agriculture. Women farmers also contribute substantially to both commercial and subsistence agriculture including livestock and fishing as casual laborers and unpaid family workers (FAO, 1996). In Tanzania like in most other third world countries, poverty as measured by income tends to be at its worst in rural areas (World Bank, 1990). For example in 1982, more than 90% of the poor people of the world lived in rural areas.

Many women join groups for emotional support, encouragement, a sense of belonging, consolation during misfortunes and direct economic support mostly through credit and marketing opportunities (Narayan, 1997). Thus, a major taste for the developing world including Tanzania is to build development strategies for alleviating poverty, particularly in rural areas. Attention is now drawn to the role of rural savings and credit schemes, formed and managed by rural women as an effective instrument to transform rural areas thus alleviating poverty.

1.2 Problem statement

The incidence of poverty in the third world countries is higher among women than men. Poverty alleviation has been the concern of many developing countries. Various policies and strategies in third world countries are being adopted to reduce or alleviate poverty (Hurley, 1990).

In most third world countries, women are more affected by poverty than men although they have a wide perception of poverty. The general development of people, especially women has for a long time been affected by poverty especially in rural areas. Majority of women in Arumeru East live at very low levels of welfare. That is poor access to health facility, education, food security and vital resources (Makombe *et al.*, 1999).

Tanzania women are renowned for their immense contribution to the socio-economic and cultural development of the country. Their participation in both productive and reproductive roles is globally recognized. Indeed these women are found in all spheres of life, they largely remain implementers of decisions made by men due to their limited participation in politics and public life (Koda, 1995). Yet they do not enjoy the benefits of their efforts.

In Arumeru East, women spend their time and efforts (resources) to alleviate poverty through formation or by joining women's savings and credit groups. However, most of these groups in the area face a number of limitations in achieving their goals and objectives. Quite often women who are the poor in the society receive credit and play a major role in the process of poverty alleviation both at family and community levels. In most cases their contributions are not clearly known and documented probably due to

socio-economic and cultural reasons that hinder researchers to conduct research in this area.

Thus this study investigates the role played by women's savings and credit groups in poverty alleviation. The knowledge and experience gained out of the study will provide a basis for identifying problems and recommendations to relevant development agencies on the need to be gender sensitive during their interventions that is, the provision of incentives, credits and resource allocation for development, especially when focusing on poverty alleviation in eastern part of Arumeru District.

1.3 Problem justification

Recently, there has been a growing concern of the battle against poverty. Many strategies and innovations are being recommended, for example, the formation of different organizations such as savings and credit schemes and other groups have been established for poverty alleviation movements. It has been observed that those who join groups benefit and improve their well-being. Although much has been observed on the importance of groups, still there is little information about women's savings and credit group's contribution to poverty alleviation.

Credit has positive impact on poverty reduction (Mosley and Hulme, 1998: Kashuliza *et al.*, 1998) It helps borrowers acquire new capital assets, and technology leading to higher production, income generation, and hence poverty alleviation. Therefore, it is worth undertaking this study because; firstly, it will determine the contribution of women's savings and credit groups in poverty alleviation at the household level. Secondly, the findings will provide useful information for development planners, policy makers, NGOs

and other development agencies when reviewing their future credit schemes. Thirdly, the findings of this study will contribute in designing new, or re-designing appropriate income generating programmes for women in rural areas as part of poverty alleviation struggles in Tanzania. Fourthly, the study may contribute to the National Poverty Eradication Strategy (NPES) which aims at eradicating absolute poverty by the year 2025 (URT, 1998). Lastly, according to World Bank (2002) the study is linked to the millennium development goals which aim at reducing by 50% the proportion of people living in extreme poverty by 2015.

1.4 Objectives of the Study

1.4.1 General objective

To assess the extent to which women's savings and credit groups contribute to alleviating poverty at the household level.

1.4.2 Specific objectives

The study seeks to:

- Identify women's savings and credit groups in East Arumeru
- Compare the level of well being among members and non members of women's savings and credit groups
- Identify socio-economic and socio cultural constraints encountered by women's savings and credit groups on their efforts towards alleviating poverty.
- Determine whether the activities performed by women's savings and credit groups are sustainable.

1.5 Hypotheses

1.5.1 Null hypothesis

- Women's savings and credit groups have no role in alleviating poverty at the household level in East Arumeru.

1.5.2 Operational hypothesis

- Women's savings and credit groups have a role in alleviating poverty at the household level in East Arumeru.

1.5.3 Null hypothesis

- Women who are members of Savings and credit groups are not better off than those who are not members in East Arumeru.

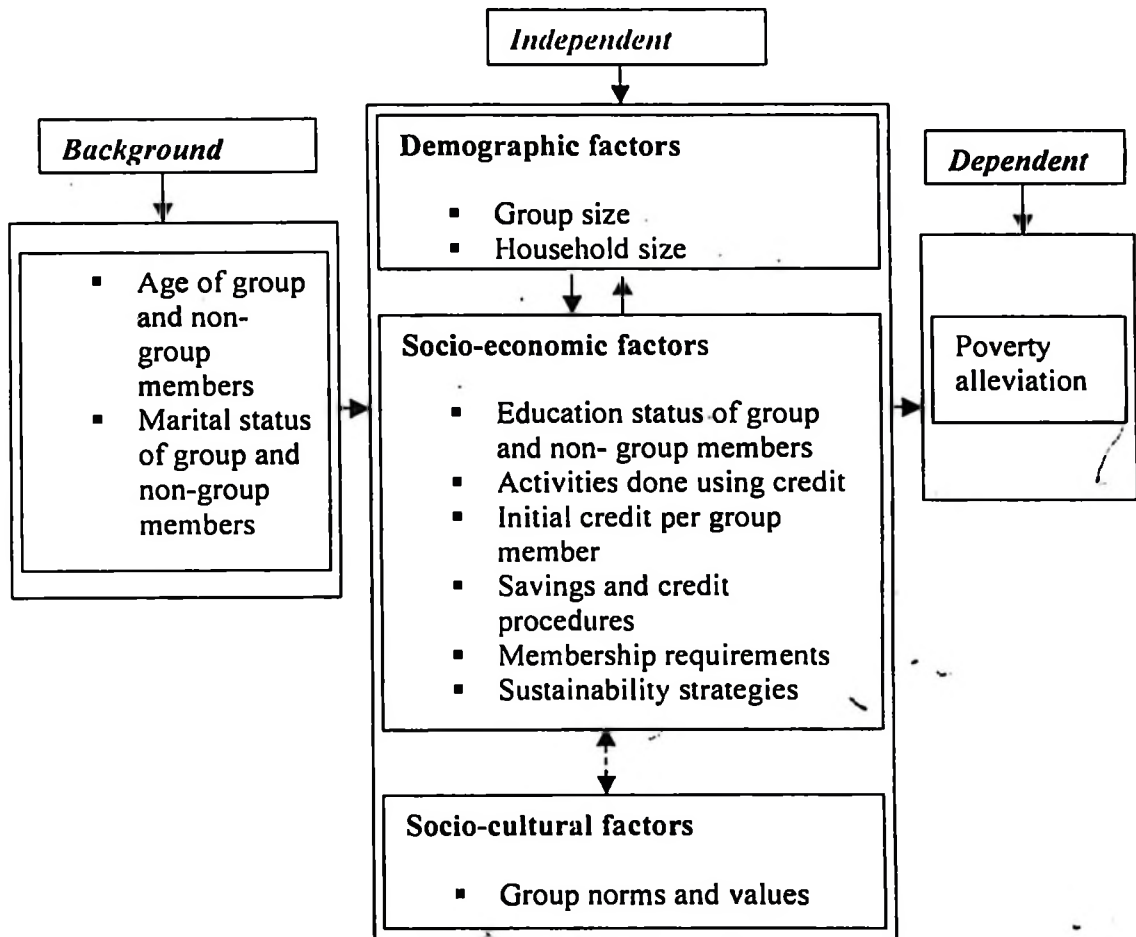
1.5.4 Operational hypothesis

- Women who are members of Savings and credit groups are better off than those who are not members in East Arumeru.

1.6 The Conceptual Framework

The conceptual framework proposed by this study is presented in Figure 1. The framework shows a set of independent variables, which influence Savings and credit groups of women in the process of alleviating poverty at household level. In the present study, education, status of group members, activities done using credit, initial credit per group member, savings and credit procedures, membership requirements, and sustainability strategies were the indicators, which were used to measure the role of women's savings and credit groups

in poverty alleviation. The dependent variable, poverty alleviation, uses the following indicators: Income and assets ownership. These variables/ indicators used in this study are defined in Table 1.



KEY:

- Primary relationship
- ←----- Secondary relationship

Figure 1: The conceptual framework for the study of the role played by women's savings and credit groups in eastern part of Arumeru District

Table 1: Key variables used in the study and their operational definitions

Variables	Indicators
• Age	• Age in years of the group and non group members
• Household size	• Number of household members
• Group size	• Number of people joining a group
• Marital status	• Current status of marriage of group and non - group members
• Education status	• Highest level of formal schooling attained by group and non- group members
• Activities done using credit	• Major economic activities undertaken by credit recipients
• Amount of credit per group member	• Value of a credit/loan in Tshs.
• Savings and credit procedures	• Conditions for the group to receive a credit
• Traditional values and customs	• Practices and norms among group members
• Income	• Amount gained in Tshs per annum
• Membership requirements	• Criteria considered for one to become a group member
• Sustainability strategies	• Strategies to ensure the permanence of the activities done using credit
• Poverty alleviation	• Assets ownership and income

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

In this chapter, literature on poverty alleviation and savings and credit is reviewed. First, the concept of Poverty and poverty alleviation is discussed in section 2.2, women and poverty alleviation is reviewed in section 2.3. Section 2.4 describes the relationship of gender and poverty. Section 2.5 introduces the literature about feminization of poverty. Approaches to women and poverty, that is WID, WAD and GAD are described in section 2.6. Section 2.7 highlights strategies and policies for poverty alleviation among women. Section 2.8 describes women as change agents for poverty alleviation. Section 2.9 reviews Tanzania's efforts towards poverty reduction. Credit schemes and poverty alleviation is discussed in section 2.10. Section 2.11 reviews credit schemes and women empowerment. Section 2.12 Discusses formal and informal financial institutions. 2.13.Highlights about micro Finance and types of Credit. Section 2.14 reviews credit as capital for poverty alleviation. Section 2.15 discusses savings and credit. Section 2.16 describes the status of research on the role of women's savings and credit groups in Tanzania.

2.2 Poverty and poverty alleviation

Poverty is pervasive in the world. It is more severe in developing countries and less in developed countries (Kayunze, 1998). Poverty can further be conceptualized as a standard of living whereby one lives below a minimum acceptable level. However poverty is more persistent in rural areas than in urban areas as a result of unbalanced rural-urban development associated with the absence of basic physical, economic, social and financial institutional infrastructures and services, which prevent the poor from taking initiatives

towards non-farm income generating opportunities and from gaining access to productive assets (Mtatifikolo, 1994).

In the Tanzanian context, we have "absolute poverty" referring to that section of the population whose income or expenditure is not sufficient to ensure the acquiring of the basic necessities of life (Banturaki, 2000). Khan (1985) describes a section of population that is a marginal group or a marginalized group as a cluster of households representing common interests and living close to a limit below or beyond which it is hard or impossible to meet the minimum basic subsistence needs out of the given resource base of the households. Such clusters combine the uneducated, the illiterate, the landless peasants, the very small holders, the artisans, the rural women and farm youth.

The URT (2000a) accounts that in rural areas poor people are located in areas where arable land is scarce and agricultural productivity is low, rainfall is unreliable, physical infrastructures are poor and people have poor access to the markets. According to Household Budget Survey (HBS) (1991/1992) basic needs rural poverty incidence is estimated at 57 percent and food poverty is about 32 percent. Tentative estimated for year 2000 suggest that the incidence of poverty in rural areas may have increased (URT, 2000a). Therefore, it will be observed that, the different aspects of the definition of poverty mentioned above typically characterize the situation of majority of Tanzania women (URT/UNICEF, 1990; TGNP 1993; Misana 1995; Makombe *et al.*, 1999).

Poverty alleviation refers to lifting the poor out of poverty. Poverty alleviation is sometimes known as attacking poverty. According to Mtatifikolo (1994) there are two approaches towards poverty alleviation that have received the attention of those concerned

with poverty issues. One approach is poverty alleviation through growth and second is through redistribution. In the growth approach it has been assumed that governments should concentrate on growth policies and the results of growth will “trickle down” to the poor through primary and secondary incomes hence alleviate poverty. In the redistribution approach poverty will be alleviated through special programmes and donor projects. As for the effectiveness of the two approaches, the practical problems of growth and its “trickle down” effect makes the redistribute strategy to be more practical for alleviating poverty (Makombe *et al.*, 1999). In Tanzania both approaches of poverty alleviation have been used. Credit schemes for low income women are within the framework of the redistribution approach.

2.3 Women and poverty alleviation

The concern for women in poverty alleviation efforts in Tanzania is important because women continue to be the most disadvantaged group (Misaná; 1995; URT/UNICEF, 1990). Globally the issue of women and poverty requires special consideration because women and girls of poor rural households bear a disproportionately higher share of the burden of poverty. This is manifested in the nature of women’s work in agriculture which exposes them to certain health hazards, time devoted to work and rest by men and women in rural areas, women’s unequal access and control over cash and its implications in poverty alleviation and the nature of women’s domestic and reproductive work (Batliwala, 1983). According to IFAD (1993) the majority of food producers in Tanzania are women. Moreover women are not only the main contributors in the production of food, but they are also in charge of all sorts of other productive and reproductive tasks. African women are generally responsible for preparation and procurement of food, childcare, gathering fuel wood, fetching water, cooking, cleaning and other domestic chores. Many studies have

shown that women are using their income to take care of their families as the earnings of so called breadwinners. Therefore any poverty alleviation efforts will be destined to failure, unless they promote the advancement of women as producers in their own right and direct beneficiaries.

2.4 Gender and poverty

Women in the third world produce a staggering 60 percent of all food, run 70 percent of small-scale businesses and make up a third of the official labour force – in addition to caring for families and homes. Yet their status rarely reflects this enormous and vital contribution. By any measure – income, education, health, land ownership, legal rights or political power – women get a raw deal. The poorest of the poor are usually women because discrimination cuts off their escape routes from poverty – education, health services, equal pay employment, and access to land and finance (UNFPA, 2002).

It is becoming increasingly clear, however, that there will only be sustainable development in the third world when women play an equal part in decision-making. No developing country can afford to ignore women's existing and potential economic contribution, or their pivotal role in determining the health and welfare of a nation's children. All the evidence points to one conclusion: economic growth and improvement in the quality of life for everyone is faster in areas where women's status is higher (UNFPA, 2002). More women than men live in poverty and the disparity has increased over the past decade, particularly in developing countries. Reducing the "gender gap" in health and education reduces individual poverty and encourages economic growth. While economic growth and

rising incomes reduce gender inequality, they do not break down all barriers to women's social participation and development. There must be specific action to ensure that social and legal institutions guarantee women's equality in basic legal and human rights. Women need access to or control of land and other resources, equitable employment and earnings, as well as social and political participation (UNFPA, 2002). Power, nutrition health and time allocation may be more important than income in determining the differences in well being between men and women. Surveys show that women work longer hours than men in nearly every country and that at least one half of women's total work time is spent on unpaid work (UNFPA, 2002). Much of this work is not included in national accounting systems. This invisibility translates into incapacity: what countries do not count, they do no support (ILO, 2001). Women in developing countries are tremendous forces for change in their families, villages, cities and countries. They can and do make a difference – when they get a chance.

2.5 Feminisation of poverty

The number of households headed by women is sometimes regarded as an indicator of the feminisation of poverty. However, although women on average earn less than men, it is by no means automatic that households headed by women should be poorer than those headed by men. Their relative poverty will depend heavily on the reasons for female household headship and the general status of the female headship in the particular society (UNIFEM, 2003).

If, as in South Asia, the only women likely to live in female-headed households are those who have no choice, through the death, desertion or outmigration of the male head, and

such households are completely marginalized because of their female headship, then female-headed households are likely to be poorer than male-households.

However, even in such cases, women in poor male-households may actually be even poorer than those in female-households due to discrimination in intra-household distribution of resources (Lorraine, 1997). Women are more likely than men to be enumerated as economically inactive or to work as unpaid family workers. Even women in paid employment, a higher proportion of women than men are concentrated in low wage jobs. International Fund for Agricultural Development estimates that in developed countries women in agriculture are paid only 54 percent of the male wage (48%) in non-agriculture (Jazairy, *et al*, 1995).

Extensive studies also show that women producers have limited access than men to all resources, from land to credit and technology. All these factors suggest that women are likely to comprise the majority of the poor and constitute a compelling case for accepting that the feminisation of poverty is quantitatively a reality (Lorraine, 1997). However, studies on the informal sector show that women who are running a small or micro enterprise, or trying to start a business activity face a wide range of problems including lack of start-up and operating capital, competing demands on time, and lack of basic business skills. In the rural areas, access to markets is an additional problem (URT, 2000b). The involvement of rural women in other economic sectors is minimal.

Rural women are not only the majority of the rural poor, but their poverty is likely to be aggravated by factors and processes that do not affect men. Due to cultural factors, intra-household distribution of food and other resources is far from equal. In the distribution of food, women tend to give priority to their husbands and other adult males and to their

children (UNIFEM, 2003). In the context of poverty and food shortages, this results in higher levels of malnutrition, anaemia and related health problems among poor women than among poor men. Although cultural norms require man to fulfill the role of breadwinner, the reality when men are unable to provide sufficient income it is the women who are ultimately responsible for ensuring the survival of the children with or without the income that the husband is expected to provide, women are responsible for feeding, clothing, sheltering and educating their children. Thus, poverty threatens women's primary role as mothers (Lorraine, 1997). Poor women struggle to ensure survival in a variety of ways: by accepting the lowest paid and most arduous jobs as a last resort and by substituting their own time and effort to provide extremely low productivity.

2.6 Approaches to women and poverty

2.6.1 Trickle down approach

Initially, before the international decade for women and the first world conference on women began to draw attention to the situation of women, it was generally assumed that the benefit of development would be shared equally between women and men. In this version of the "trickle down" theory, no specific attempts were made to direct programmes or projects towards women and there was no recognition, beyond the obvious areas of family planning and maternal and child health, that women's needs or concerns might be different from those of men. Anti-poverty strategies such as the transmigration programmes in Indonesia initially made little provision for women and children but focused on the family unit, assuming that all members would benefit equally. At that time, social and economic data were typically provided to planners and policy makers only for population aggregates, except in the case of variables thought to be related to fertility (Lorraine, 1997).

2.6.2 Women in development

Gradually, during the UN Decade for Women, governments and development agencies began to recognise the role of Women In Development which projected strategy was one of women as a “disadvantaged group” in need of improved welfare through project targeting and involving women only. Such projects were quite marginal in the overall scheme of policy-making and programming, attracting a very small share of the total budget of agencies, donors and government-less than one percent in most cases. They typically related to women traditional gender roles as wives and mothers, providing women with clean water, health and family planning education and services and basic literacy to help them provide better for their family’s basic needs. Where income generation was included in WID strategies, it also tended to focus on traditional areas of work for women such as food preparation and processing, sewing, weaving and handcrafts (Lorraine, 1997).

In some countries, the responsibility for WID projects initially rested with these agencies. In others, their role was more in terms of coordinating and monitoring the WID projects of the line departments in the various sectors. The perception of women’s issues as welfare issues was reflected in the tendency in many countries to locate women’s machinery in Ministries of Welfare and Social Affairs. Sometimes later, WID approach was criticised for not challenging the root causes of gender-based inequalities. It only led to the establishment of welfare projects, which increased women’s workload. In brief, it did not lead to women’s empowerment.

By the mid 1970s, a critique of the WID approach gave way to another development approach called Women and Development (WAD). However, WAD approach

concentrated on provision of women's practical needs that is provision of basic needs such as food, shelter and health services. Less attention was given to strategic needs such as provision of education and resource ownership, which are focusing at empowering women to take control over their own needs through providing them with tools for decisions on issues affecting them and the society. Though WID and WAD approaches had the women as their centre of analysis, yet their strategies did not focus essentially on the means and ways of empowering women and also looked at women as a separate social entity.

2.6.3 Gender and development strategy (GAD-Strategy)

The second world conference on women in 1985 reviewed the approach on the role of women in development and found out that the impact of projects and programmes on the lives and problems that women faced was marginal (Lorraine, 1997). The conference document, the Nairobi forward looking strategies, women's role in development in more positive terms, emphasizing their actual and potential contribution to development rather than their welfare needs.

Development practitioners and theorists began to realise that the essence of the problem was not women per se, but the differences between women and men. It was also increasingly recognised that the causes of these differences were to be found in relationships between women and men- that is, in the prevailing socially and culturally determined relations. As this paradigm shift took hold, the WAD approach was gradually replaced, at least in terms of rhetoric, by the Gender and Development (GAD) or gender approach (Lorraine, 1997).

The main emphasis of GAD approach is on empowerment of disadvantaged men and women through addressing their practical needs and priorities determined by themselves to improve their own socio- economic conditions. Within GAD approach, there have been developed several gender analysis tools (frameworks), which are commonly used to test different gender issues in the development initiatives. These tools include Harvard Analytical Framework and Gender Analysis Framework (Panda and Lund, 1998).

Harvard Analytical tool looks mainly at three major profiles namely; the activity profile which provides all productive and reproductive tasks and duties of men and women and also different age-groups, the access to and control profile which identifies the resources used and who has the control over them and associated benefits and influencing factors which outline the factors such as economic and political that perpetuate gender differentiation in a given society.

The weakness of this tool is that it overlooks diversity and conflicts of interest among women. Gender analysis framework looks at the impact of any development intervention upon men and women at household and community levels. The methods consider gender-based division of labour, time resources and socio- cultural factors as parameters of analysis in development projects process. The major weakness of this is that it focuses broadly on project rather than policies (Panda and Lund, 1998). Thus, these gender analysis tools are essential building blocks for effective gender sensitive project planning as they reveal how a gender difference defines people's rights and responsibilities.

Donor agencies have mainly concentrated in provision of financial and technical assistance in various distinct sectors including, health, education infrastructures, agriculture, industry

and environment. Non-governmental organizations on the other hand have played an important role in provision of education, health care, environmental protection and support of micro-enterprises. Gender and age status (mainly with the bias towards women and youth) are among the predominant criteria to qualify for assistance from these targeted poverty alleviation programs.

Despite all these efforts a number of Tanzanian groups remain poor. The overall economic growth has not been high enough to guarantee high per capita incomes. The existing pattern of income distribution and resource allocation manifest itself into mass poverty and this will persist into the foreseeable future unless targeted and colossal measures are taken. This calls for special efforts not only for ensuring success in the designed programs but also evaluation of the methodologies so far adopted and observe if they have reduced poverty or they can really alleviate poverty in the future.

2.7 Strategies and policies for poverty alleviation among women

Globally, poverty alleviation has been considered since after the World War II (Clayton, 1983), and strategies to attack poverty have developed concomitantly with global socio-economic developments. For the first time, the United Nations (UN) made the promotion of economic development of poor countries an essential goal in the 1950s. In the 1950s and 1960s economic growth was given much emphasis. In the course of implementation of poverty alleviation strategies, the Government of Tanzania, in collaboration with key stakeholders has formulated gender development policy, which lays down mechanism for women's advancement, gender equality, and protection of women's rights and interests (URT, 2000b).

The main thrust of the policy is to ensure that gender is mainstreamed into all policies and programmes at all levels of government, focusing on women's specific problems. In that regard policies in the areas of poverty eradication, education, environment and industry have included a gender component. Strategies adopted include the establishment and strengthening of gender focal points and gender budgetary initiatives.

According to URT (1998) extensive programmes related to poverty alleviation were initiated which include: to create, promote and strengthen credit provision in both rural and urban areas. This has to do with encouraging people to establish savings and credit schemes. Secondly, is to strengthen other funds such as those for youth, small scale business and women development so as to be able to provide loans for the forgotten groups. Thirdly, is to negotiate with donors to allocate at least 20% of their assistance to poverty reduction activities.

2.8 Women as change agents for poverty alleviation

Rural women play a key role in their societies at three levels. At the aggregate level, as members of the labour force (whether counted or under-enumerated), they are an important, and with development an increasingly important, source of labour. Through their domestic role, they contribute significantly to the capacity of the male members of their households to function effectively in the labour force. At the household level, they are producers of both marketed and unmarketed goods and services, much of which is either under-enumerated or not included in the national accounts. Due to their vulnerability, women particularly value security. As a result, they are also an important source of saving and capital accumulation and often more effective savers than men. At the inter-generational level, as the bearers and rearers of the next generation of workers and citizens,

they are critical change agents assuming the primary responsibility for children's health and nutrition and most of the early processes of socialization (UNIFEM, 2003).

Women are thus of critical importance for poverty alleviation at all three levels. According to (Waring 1998) at the national level, their contribution to the labour force as workers contributes to the national welfare and income, although a significant part of their contribution is uncounted and much of the rest is under-counted. Various estimates suggest that, if women's productive and reproductive activities were fully incorporated into the national accounts, women would be found to contribute between 30 and 40 per cent of Gross National Product (Lorraine, 1997).

At the household level, their role is particularly important because poverty is typically, among other things, a consequence of the low productivity of the main income earner. As a result of their lack of education and skill, the poorest households often need more than one income merely to survive. The role of women in contributing directly to the income of poor households is important both quantitatively and qualitatively. In terms of quantity, the income provided by women is often either the mainstay of poor households or a substantial component of total income. Resource-poor households are even more dependent than others on women's labour in the subsistence food sector and /or their earnings from wage labour or non-farm enterprises (Jazairy *et al.*, 1995).

In terms of quality, numerous micro-studies show that most of the income earned by women goes directly toward meeting the needs of their families, particularly their children. Very little if any is used to meet women's personal needs. By contrast, even in the poorest

households, a portion (sometimes a large part) of men's earnings is used for personal needs such as cigarettes, alcohol and other social activities (Lorraine, 1997).

In their roles as mothers, poor women may be the instruments through which their own poverty is transmitted to their sons and daughters (particularly the latter). Women who are struggling to ensure the survival of their families may be forced to neglect the nutrition and health of young children and often experience higher levels of infant mortality (UNIFEM, 2003).

2.9 Tanzania's efforts to reduce poverty

The early 1970s were characterized by heavy government expenditure in social services. Many primary schools, health centers and dispensaries and water schemes were constructed. It was 1976 when the masses of rural population were relocated to villages under the villagization campaign. The programme began in 1973. The argument for this campaign was that it would be easier to provide social services' mainly water, education and health care to people in village settlements.

The provision of education and health services and agriculture was backed by slogans "*Elimu kwa Wote*", "*Mtu ni Afya*", "*Siasa ni Kilimo*" and "*Kilimo cha Kufa na Kuponu*" respectively. In mid 1970s to early 1980s, the country was faced by serious economic instability. This was followed by the drought of 1973 and 1974, the oil crises of 1973 and 1974. Later it was compounded by another drought in 1975, then the breakup of the East African Community in 1977, then the war with Uganda in 1978, then oil shock and depression in export prices in 1979/80. These events distracted the deliberate attempt to poverty alleviation and worsened the situation.

Most of the internal factors revolved around the wrong choice of development policies and strategies, and of resources. More specifically, they included neglect of the agricultural sector, over emphasis on large scale and capital-intensive industries, excessive expansion of the public administration, forced villagisation, and excessive government intervention in the economy (Bagachwa, 1995). "Ujamaa" was contentious and inefficient state transport and marketing caused agriculture to stagnate. Industrial development had been over emphasized at the expense of agriculture. All this produced a gloomy outlook by the 1980s.

Although official inflation was less severe than in a number of other African countries, much of the economy was operating via the parallel market network and here there was a 90% decline in the real purchasing power of the minimum wage during the 1980s. Earlier investment in social infrastructure meant that Tanzania ranked thirty-fourth in the UNDP's Human Development Index (Bagachwa, 1995). Two homegrown programmes were launched, the National Economic Survival Programme in 1981 and the Structural Adjustment Programme in 1982. However, these failed to mobilize sufficient external resources because the World Bank and the IMF blocked aid to Tanzania from themselves as well as from other bilateral donors.

Therefore a donor-sponsored recovery programme was agreed in 1986 and continues, with modification, to the present. Tanzania is heavily dependent on aid: for stance, up to 2002 official development assistance accounts for 75% of government development expenditure and external debt equates to 1.3% of Gross Domestic Product (BoT, 2003).

The Government of Tanzania presently, has some strategies and official guidelines to curb poverty. The Vision-2025, National Poverty Eradication Strategies (NPES), Tanzania Assistance Strategy (TAS), the Poverty Reduction strategy Paper (PRSP), Rural Development Strategy (RDS) and the National Growth and poverty reduction strategy are the major ones. These are national strategies of economic and social development encompassing joint concerted efforts of government and international community.

The Tanzania Vision-2025 is a long-term government dream calling for social and economic betterment mainly through improved quality livelihood, good governance, well-educated and learned society and a competitive economy capable of providing sustainable growth and shared benefits.

TAS is a mechanism by which Tanzania and donors cooperate in deciding which sectors or projects/programmes to fund with donor aid. It includes basket funding which donor pools funds and the government uses them according to its priorities. Millenium development goals 2015 and Vision 2025 documents are seeking to eradicate poverty through various interventions. Such interventions include water, health, education and nutrition. The water strategy aims at increasing community access to clean water to 90% average within 400 metres and to discourage unnecessary tree cutting.

On health, the strategy aims at reducing infant and maternal mortality and increasing access to health centres and reduces average distance to health centers and reduces average distance to health facilities.

In education it seeks to achieve universal primary education, expand secondary schools, and increase number of people who can read or write and in nutrition the goal is to reduce under-five malnutrition. PRSP mainly focuses on education, health and water as the basic social services and economic infrastructure that are inevitable in addressing issues of poverty.

The government also established the Tanzania Social Action Fund (TASAF). TASAF is a project of financial facility designed to address community social needs. In particular, TASAF supports activities intended to improve basic social and economic services and protect the vulnerable groups.

Adopting targeted poverty alleviation programme has mainly been implemented by donor agencies, NGOs and religious organizations. This approach has gained dominance particularly in recent years. Following the major reforms adopted since the mid 1980s, direct involvement of the government in various social and economic activities has been minimized and limited to policy formulation, coordination and monitoring. Most of the agencies/organizations are thus replacing government activities by among other things, engaging in poverty alleviation initiatives by addressing issues, which they conceive as being important to them.

2.10 Credit schemes and poverty alleviation

The primary purpose of all credit programmes for small and micro enterprises is to raise the living standards of the beneficiaries, their families and their communities (Levitisky, 1993). It is important to look at the indicators of the impact assessment. Current debates in microfinance include issues such as whether microfinance interventions can reduce

poverty: reaching the poorest of the poor and assessing the impact of interventions (Makombe *et al.*, 1999). This is based on the theory that the provision of small loans to the poor is an effective policy instrument in the fight against poverty.

According to Makombe *et al.*, (1999) an assessment of the impact of micro credit interventions depends on how poverty has been defined. Indicators of the impact of micro credit/finance interventions include employment creation, business growth, and extent of benefit to women entrepreneurs, income promotion and raising standards of living. Other indicators are reducing vulnerability, redistributing incomes, reducing dependency on powerful groups by the weaker ones and restricting socio-political relations in favour of the poor.

2.11 Credit schemes and women empowerment

Financial institutions in Tanzania do not formally discriminate against women. However, few women have received credit from such institutions because they lack collateral, knowledge on how to process the loans, long distance of banking services from the rural women and high costs of processing the loans (Makombe *et al.*, 1999). Although credit schemes for women in Tanzania started in the early 1970s, the poverty situation of most women has not changed much.

Ackerly (1995) argues that, in discussing the impact of credit schemes on women, it is commonly assumed that credit itself is empowering. Credit has to be issued to women as a means of economic development. Empowerment of women on the other hand is and has been an articulated goal of development strategies. It is assumed that the borrower is the one being empowered. But the case can be opposite if there is no deliberate effort by the

lending institutions to promote empowerment and the borrowers direct involvement in the funded activity. (Makombe *et al.*, 1999). Thus organizations that wish to empower women should design their programmes through well defined and observable empowerment tasks and evaluation criteria.

Makombe *et al.*, (1999) went further and argued that, it has been observed that credit is a key element in economic empowerment because it assures the productivity of the enterprise being financed. However, a credit scheme may fail to empower women depending on how it is managed and its components or package. As per various observations, there is no amount of credit even at the most reasonable rates, that can guarantee higher productivity, or incomes among credit recipients unless it is accompanied by other packages such as infrastructure, agricultural subsidies, supportive services, credit policies as well as the management of the credit scheme itself.

2.12 Formal and informal financial institutions

In a number of agricultural – based developing countries including Tanzania, formal financing of smallholder agriculture has been seen as one of the major means of effecting agricultural growth and development (Kashuliza, *et al.*, 1998). Consequently over the recent decades several of these countries sometimes with the support from international communities, have establish specialized credit institutions for the purpose of supplying credit to smallholder farmers and also for provision of longer term credit for rural development projects that commercial banks were generally not prepared to finance (Kashuliza *et al.*, 1998)

The absence of what was perceived as affordable formal credit was also blamed for delaying if not preventing, a timely adoption of new production technologies and the dissemination of non-labour intensive inputs such as fertilizer, thereby slowing down the growth and development of the agricultural sector (Kashuliza *et al.*, 1998).

Other notions do exist that formal money lenders exploit small farmer borrowers and the poor by charging them high interest rates through which they (lenders) extract monopoly profits. It was therefore believed that the establishment of informal credit institutions would therefore curb or eliminate such exploitative practices (Kashuliza *et al.*, 1998).

Access to the bank credits is one of the major constraints hindering the development of small informal business not only in Tanzania but also in other countries (Bagachwa, 1995; World Bank, 1992). Commercial banks have traditionally concentrated their lending to large formal enterprises that pose collateral and therefore regarded to be less risky. Even though, the magnitude of the problem has not been vigorously studied. Estimates show that by 1996 only 1.7% of small businesses in urban and rural areas had access to credit in Tanzania (PRIDE-Tanzania, 1997). In comparison, over 60% of individuals who borrowed did so from informal sources such as relatives, neighbours and friends (Kashuliza *et al.*, 1998). It is estimated that worldwide less than 2% of low-income entrepreneurs have access to formal financial services (World Bank, 1992).

The reason why many forms of informal finance continue to thrive in India despite the penetration of commercial banks in rural areas is mainly due to the inherent strength of the farmer. The demand of informal is of two types. One is direct demand from both business and household, and the other is direct demand emitting from the unsatisfied clients of the

formal credit for farmers in the pre-ERP period have had that role scaled down as a result of the credit squeeze and strict conditions imposed by banks on credits and overdrafts.

This means that informal semi-informal credit sources are becoming increasingly important for a wide range of farmers – and especially the smallholder farmers (Kashuliza *et al.*, 1998). No interest or collateral is involved and repayment conditions are very flexible. These attributes have great merit for those without collateral and the landless or those without titles and in situations where production risks are high in rural areas.

More sophisticated groups of the rotating savings and credit activities, (ROSCAs) are found in many low-income countries and which have been extensively studied in recent years whereby in many areas more individuals participate in ROSCAs than those who deal with formal financial institutions. Recent research in the Cameroon suggests that the volume of deposits moving through ROSCAs may sometimes be large that amount held in banks (Schriender and Carlos, 1989). The transaction costs of ROSCAs are generally very low and overhead and administration costs are virtually non-existent. The close social bonds of members and reciprocal dependence are a powerful control mechanism of risk. (Temu and Hill, 1994).

In some developing countries (especially during the era of structural adjustment and market liberalization) formal credit programmes have utilized non-financial entities or informal lender as conduits of formal credits to rural farmer borrowers (Bagachwa, 1995).

The World Bank (1992) points out the possibilities for improvement of provision of financial services by upgrading informal arrangements and linking them with formal

institutions. There are other forms of linkages between formal and informal finance, which include users of formal loans who spend their borrowed funds in informal market group savings that are deposited in banks; formal borrowers who make informal loans and that many people use both formal and informal finances. (Adams and Von Pischke, 1992).

In some countries such as India and Cameroon, ROSCAs have evolved into formal banks (World Bank, 1992). Informal savings and loan associations that act as saving clubs for members can operate in a number of different ways. They may lend for any purpose or for specific purposes such as housing and education (Kitchen, 1986). It has been estimated that in 1970s when income from “upatu” was noted to have been widely used for the purchase of perishables, consumable items like clothes and ornaments (Ndashau, 1990).

In the early sociological and anthropological works, in which (IFIs) were viewed as traditional financial institutions, their main role was considered as that of providing loans for only consumption rather than productive investments (Ndanshau, 1990). The IFIs were considered exploitative to of the poor who form the main and the only group that utilize informal loans (Ndanshau, 1990).

In last two decades however, there has been an increased interest amongst practitioners and policy makers on the size and scope of the IFIs, its implications on financial policy and economic development in developing countries. This increased interest revealed an increased importance of informal credit uses (Ndashau, 1990).

2.13 Micro Finance and Types of Credit

Micro finance is a generic name for financial services meant for self-employment and other financial, and business services (including credit, savings, and technical assistance) to very poor persons (Nitsch, 2001; Druschel *et al.*, 2001). According to Mosley and Hulme 1998; Kashuliza *et al.*, (1998) there are three main types of micro credit, namely formal, semi-formal, and informal micro credit. Informal credit is that which is provided by informal moneylenders, rotating savings and credit associations and part time sources of money, including relatives, neighbours, friends, traders, and larger scale farmers. Semi-formal credit is that which is provided by organizations and agents whose mission is not basically financial service provision, such as NGOs, government departments and religious organizations formal micro credit is the one that is provided by mainstream financial institutions, especially banks.

Nitsch (2001) argues that, although micro finance is basically meant for very poor persons only, very few poor people have access to it, especially formal micro finances. Therefore, in such circumstances semi-formal and informal micro finance service providers happen to be more useful than formal micro finance service providers to the poor as far as their access to credit is concerned.

2.14 Credit as capital for poverty alleviation

Production and service provision are some of the major sources of income. The four major factors of production are land, labour, capital and entrepreneurship. Out of the four factors, capital is the most limiting factor. The most common sources of capital are family or friends, savings from agricultural or non-agricultural income, and wages or salaries. In the southern Highlands of Tanzania more than a half of rural households (56.1%) get capital

for non-agricultural activities from farm activities (Kayunze, 1998). However, for the poor who cannot get capital from any of the above sources, credit is important to enable them to get capital to undertake production and service provision activities for poverty alleviation.

Credit being an important source of capital, is corroborated by Adams and Von Pischke (1992), cited by Buckley (1997) who report that money lenders are considered to be significant sources of finance for low-income groups. Buckley (1997) also supports the argument by saying that lack of credit is a major problem for micro-enterprises in Africa. The less poor and non poor also need capital to expand their businesses or absorb economic shocks in their businesses.

Mahajan (1998) argues that, if the less poor and non-poor are given credit, they can undertake medium and large-scale enterprises, and give wage employment to the very poor women who may not need credit, but steady wage-employment on or off-farm. Although this is economically appealing, it is socially undesirable since if the very poor are not empowered to help themselves, their dignity as human beings will decline.

Globally, there have been three phases of mainstreaming credit into poverty alleviation programmes. Before the 1980s credit for poverty alleviation used to be provided by formal financial institutions. However, due to their commercial approach and conditions that the poor could hardly afford, the poor did not access credit. Following the failure, a second phase for micro finance services to the poor was introduced in the 1980s. This was characterized by provision of loans with subsidized interests. Due to having adverse impact on the sustainability of micro finance institutions, the second phase did not go beyond the pilot phase. Consequently, from the late 1990s donors, consultants and academicians have

engineered the current third phase, known as “New Development Finance”.(Mahajan, 1998).

The New Development Finance targets at increasing the number of the poor doing micro and small-scale enterprises. More than 2,900 people from 137 countries gathered from February 2-4, 1997 at the Micro credit Summit in Washington, DC, and launched a nine-year (1997 to 2005) campaign to reach 100 million of the world’s poorest families, especially women of those families, with credit for self-employment and other financial and business services by the year 2005 (Druschel *et al.*, 2001). The 1997 summit was part of campaigns to mainstream the “New Development Finance” in the world thinking.

According to the Summit, the “poorest” are those in the bottom half of those living below their nation’s poverty lines. By 31 December 2000, 19,327,451 poorest households, each containing an average of five members, had received micro credit. Currently, the number of the poorest households that are reached with micro credit is growing at a rate of about 37% per year from its starting point of 7.6 million poorest households at the end of 1997. The outreach rate is sufficient to attain the objective stipulated in 1997 (Druschel *et al.*, 2001). Unfortunately, records of the rate at which micro credit is reaching the poorest in Tanzania were not available to the researchers in spite of efforts of seeking them from the Directorate of Micro Finance of the Bank of Tanzania.

Albeit there are strategies at the national and international levels to increase credit to the poor for income generating activities to reduce poverty, there is much literature opposing the strategies. For example, Adams and Von Pischke (1992) say: “.. we are sceptical about credit programs for poor people...” Others, for example Mosley and Hulme (1998), assert

that credit has a negative impact on poverty alleviation among the very poor. However, they can acknowledge its importance by saying that credit has high and low impacts on poverty alleviation among the poor and the less poor, respectively.

2.15 Savings and Credit

It is not only credit that levers the poor out of poverty but also their ability to save from income generated from the use made of credit. Micro finance programmes that stress lending without emphasizing on saving are likely to miss opportunities to assist many poor people who may wish to save but not necessarily to borrow (Buckley, 1997).

Knowing this, in Tanzania most credit programmes use the solidarity-group sort of savings-linked credit group. This is described by Remenyi (1993) as follows: Borrowers are in small groups of not more than 6 persons, and there are several groups. The model combines the power of self-help with the mutual support of peers within each solidarity group. Every group member stands guarantor for every other member. The group assesses loan applications of colleagues based on fulfillment of agreed amount of money to save and repay over certain periods of time. If a group member does not repay his/her loan timely, no more loan is given to any other member of the group. Even the best-known credit programmes, including the Grameen Bank of Bangladesh, use this model.

Other sorts of savings-linked credit groups are Revolving Savings and Credit Associations (ROSCAs) and Credit co-operative models. The effectiveness of micro credit is assessed at two levels of micro finance institutions (MFIs) and credit recipients. At the former level, it is indicated by sustainability of MFIs and outreach to clients. Financial sustainability is mainly measured in terms of loan repayment rate.

Poverty outreach is measured in terms of the percentage of women borrowers, average loan size, loan size as a percentage of gross household product (GDP) per capita, average savings deposits, and average savings deposits as a percentage per capita of GDP (Zeller, 2001). At the credit recipient level, credit effectiveness can be measured in terms of improvements in income, nutrition, educations, access to health services, and other aspects taken to be indicators of poverty.

Although globally in about the last two decades much progress has been made in terms of outreach to the poor through various types of micro finance institutions (MFIs) only two percent of the developing countries' population are clients to MFIs (Zeller, 2001). In Tanzania, constraints to access credit include lack of collaterals by the poor needing to borrow, and high interest rates charged on loans. Another constraint is the commercial culture of mainstream financial institutions, including CRDB (1996) Ltd Bank and the National Micro Finance Bank (NMB). The culture does not give an opportunity to serve the poor (Kulekana, 2001).

Even if more people had access to credit, Mahajan (1998) argues that micro credit can hardly be an answer to poverty alleviation due to its wrong assumptions that the poorest wish to be self-employed, and that credit is the main financial service needed by the poor. Other assumptions he criticizes are that credit can automatically translate into successful micro-enterprises, those marginally above the poverty line do not need it, and that credit institutions can all become financially self-sustaining.

Mahajan (1998) advises that, in order to make micro credit work better, beneficiaries should be made aware of the fact that micro credit is not fully financially sustainable.

Moreover, micro credit programmes should be engineered to target not only the poorest, but also the less poor and some of the non-poor who can operate large enterprises providing wage-employment to the very poor.

Mosley and Hulme (1998) argue that in order for the very poor to benefit from loans and repay them promisingly, there has to be a technology of lending to them. Such a technology involves freedom to charge interest rates that are enough to cover cost, provision of savings facilities, and adaptation of financial services to local demand through mobile banking. Moreover, modification of savings, loan collection, and incentive arrangements for borrowers and staff increase credit effectiveness. Using this technology, the Grameen Bank of Bangladesh and Bangcosol of Bolivia have often achieved higher loan recovery rates than those achieved by commercial banks in the same countries in spite of lending to poor, individuals do not have collaterals (Mosley and Hulme, 1998).

2.16 Status of this research in Tanzania

Many studies cited various causes for the poor performance of credit schemes for poverty alleviation that are operated by women. Some of the causes are lack of enough seed money; credit does not always guarantee successful operation and some credit schemes are designed like social welfare schemes thus perpetuate a lax attitude in their financial management. But the studies have not managed to explain implicitly the successful contribution of savings and credit schemes operated by women in the alleviation of poverty.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter outlines the methodology that was used in this study. Section 3.2 describes the research area and its geographic characteristics. In the following section, the populations and environment of the study area is described, while the research design is explained in section 3.4. In section 3.5 and 3.6 sampling procedure, sampling unit and sample size are elaborated and section 3.7 present an outline of data collection, processing and analysis.

3.2 Description of the research area and justification for its selection

The research area was eastern part of Arumeru District. The area is located in the northeastern corner of Tanzania in the slopes of Mount Meru whose peak is 4,566 metres above the sea level in Arusha Region; between latitude 3⁰ 00' to 3⁰ 40' and longitudes south of equator and 36⁰ 15' to 36⁰ 55' east of Greenwich meridian. The area covers Moshono, Poli, Kin'gori and Mbuguni divisions (Arumeru District Profile, 2003). The altitude of the area ranges from 800 – 4500 meters. The area is mostly semi-arid with highland zones and flat and rolling plains. The climate is subtropical with a cool season between May and August. There is warm climate in the low altitude and cool climate in high altitude areas. The average temperature range is from 20⁰ C to 35⁰ C. The rainfall pattern is bimodal with short rains between October and December long rains between March and May. However, in both seasons the rainfall is not reliable. This area was selected on the grounds that there has been increasing number of savings and credit groups supported by many donor agencies particularly for women.

3.3 Populations and environment

The Eastern part of Arumeru District is mainly composed of two ethnic groups, the Wa-Arusha and the Wameru. It is believed that Wa-Meru are a branch of the Chagga who migrated from Machame area of Western Kilimanjaro to a fertile agricultural area on the slopes of the South Eastern Mount Meru in the seventeenth century. The determinant of their migration to that area was due to the fertility of the agricultural area. Their numbers increased gradually. In early 1800 a semi-sedentary branch of the pastoral Maasai settled on the western part of the mountain, (Arumeru District Profile 2003). According to 2002 census report, Eastern part of Arumeru District has a total population of 56,416; 27,897 female and 28,519 Male. In terms of wards the population is as shown in Table 2 below.

Table 2: Population of selected villages in Arumeru District

Wards	Female	Male	Total
Kin'gori:	10,309	10,361	20,670
Mbuguni	7,027	7,853	14,880
Moshono	6,295	5,912	12,207
Poli	4,266	4,393	8,659

Source: Census report 2002

3.4 Research design

The study used a cross sectional evaluative study in which data was collected at one point in time. This design has been recommended by Bernard (1994) and Babbie (1990) because of its dual characteristics. Data collected can be used for the purposes of simple statistical description and interpretation and also make it possible to determine relationship between different variables that were in focus at the time of the survey.

3.5 Sampling procedure

To obtain the desired population, purposive sampling technique was used to obtain four divisions that are Moshono, Poli, Kin'gori and Mbuguni which together form East Arumeru. This technique has been generally recommended in social research, as it focuses directly to the area that has been generally intended to be studied. Simple random sampling was used to select 50 women's savings and credit group respondents and 50 non-group respondents; All 100 women group and non-group member respondents were randomly picked, representing each of the four divisions. For non-group member respondents, the sampling frame was developed for those women in the study area who do not belong to any group.

3.6 Sampling unit and sample size

Households and women's saving and credit groups were the ultimate units of analysis since a household is considered as a basic unit of analysis when one tries to assess the level of poverty in the society. The total sample size was 100 respondents in which 50 were group members, and the other 50 were non-group members. The choice of this sample size was dictated by the limitations of financial resources and the need to ensure sufficient number for meaningful analysis.

3.7 Data collection

3.7.1 Primary data collection

Structured interview questionnaires were used to collect data from respondents within the limited span of time. Questionnaires designed for women group members focused essentially on respondents' socioeconomic and socio-cultural characteristics, savings and credit related matters, their participation in the collective activities in the whole process of

alleviating communal poverty and the sustainability of the group activities. The non-women member questionnaires on the other hand covered respondents' socio-economic characteristics, general respondents' views on the women's savings and credit groups and social cultural characteristics that influence their limitation in joining savings and credit groups. Key informant approach was also used. It was guided by checklist of questions to gather information from the savings and credit officials. This covered issues related to the savings and credit scheme.

3.7.2 Secondary data collection

Various reports on poverty alleviation, records and references (documentary sources) from Arumeru District Council, Sokoine National Agricultural Library and from other sources, were used to gather secondary data /information.

3.7.3 Data processing and analysis

Data from the respondents was verified, compiled, coded and summarized before analyzing by using statistical package for social sciences (SPSS) windows software, so as to make realistic inference based on the study sample. In this statistical package, descriptive statistics namely, frequencies, percentages and means was used to determine distribution of individual variances among the respondents, while chi-square was employed to determine associations between some parts of variables.

3.7.4 Limitations of the study

During the survey the following problems were encountered

- (a) Availability of funds was a big problem since this research was done on private sponsorship basis. So the researcher and two assistants spent a lot of time walking

on foot from one group to another during data collection instead of using reliable transport such as a vehicle.

- (b) Some of the important documents and records were not easily available due to poor record keeping, particularly for some women groups. This led to difficulties in obtaining some important data during the survey exercise. For example books of accounts were expected to show key data showing the performance income generating activities and viability of the projects. Unfortunately some of the basic documents were not available to many groups. Such weakness is a limitation in understanding the contributions of such groups towards poverty alleviation or their contribution in improving household livelihoods.
- (c) Furthermore, some respondents were not willing to give information because previous researchers had not fulfilled the promises they had made upon completion of their studies to the respondents.
- (d) In some cases, community events interrupted the survey exercise, such as funerals, village open market day, the research assistants personal commitments and government leaders public meetings.
- (e) Savings and credit group members and non-group members were skeptical to mention their real incomes and assets because of the fear of being taxed by the government.

- (f) Savings and credit non-group members were scattered in their respective villages so to trace and find them was very difficult. This was made more difficult due to the poor roads.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Overview

This chapter presents and discusses findings of the present study conducted in four wards in eastern part of Arumeru District. The chapter is divided in the following sections; Sample characteristics, existence of women savings and credit groups, savings and credit related matters, and the sustainability of the savings and credit women groups income generating activities.

4.2 Sample characteristics

The sample consisted of the representatives from both women's savings and credit groups and non-women savings and credit group respondents. The parameters that were examined in the study included age, marital status, education status, household size, estimated annual income, major income earner in the family and source of income.

4.2.1 Age

The selected sample for the present study comprised of 50 women who were members of savings and credit groups (WSCGMs) and 50 women who were not members of savings and credit groups (WSCNMs). Their age ranged between 18 and 50 years as shown in Table 3 below:

Table 3: Distribution of respondents by age

Category (N=100)	S&C Members		S&C Non-members	
	No.	%	No.	%
18-25	2	4	10	20
26-33	18	36	14	28
34-41	18	36	15	30
42-49	8	16	5	10
>49	4	8	6	12
Total	50	100	50	100

Respondents' ages from both groups and non-groups ranged from 18 years to 50 and above years. For that matter majority of the respondents' (36%) women savings and credit members and 30% of savings and credit non- members were between 26 and 41 years. It was also found that 16% of members and 10% non-members respectively were above 41 years. Thus the findings imply that majority of women who have joined savings and credit schemes and acquired credit are in the middle age. This was confirmed by the mean age of respondents, which was 34. The respondents were grouped into five age groups. This means that the respondents were in the economically active group. This is supported by (Mandara 1998) as cited by (Makauki 2000) that in Tanzania the economically productive class ranges between the ages of 15 to 64 years.

4.2.2 Marital status

According to Table 4 almost all respondents (98%) were married out of which 44% were members of savings and credit groups while 54% were non-group members. However 30% and 22% of the WSCGMs and WSCNGMs were single. 14% of member respondents were divorced while non-members were 8% respectively.

Table 4: Distribution of respondents by marital status

Category (N=100)	S&C Members		S&C Non-members	
	No.	%	No.	%
Single	15	30	11	22
Married	22	44	27	54
Divorced	7	14	4	8
Widow	6	12	8	16
Total	50	100	50	100

The data also show that the proportion of widowed members was 12% while non-members were 16%. The data therefore imply that there is difference among members and non-members respondents regarding marital status.

The present study in East Arumeru also found that there is high rate of marriage in majority of respondents from both WSCGMs and WSCNGMs. This is probably because of the belief that, marriage can offer a solution to possible hardship in life especially for most women. On the other hand marriage is one of the leading factors considered to be the cause of women lacking access to and control over resources especially in rural areas where majority of women live in marriage. Thus it can be argued that marriages influence women's access to and control over resources in most rural societies.

Therefore, the data indicate that marriage at early ages among women in the study area is also less encouraged, since majority of married respondents reported to be married at the age of 20 and above years. The implication of marital status to the study is that credits are not meant for certain marital groups only but for any woman with an aim of increasing income and alleviate poverty in the study area.

to women for it assist in changing or challenging their traditional roles, for instance women with formal education have been able to become pilots-something considered as a non-traditional work for women. On the contrary low formal education level is considered to foster negative attitudes towards changes and as such an indicator of underdevelopment. In relation to the study it came out clearly that, for a woman to receive credit, she must be literate. This means that she must know how to read and write so that she can be able to run her Income generating activities independently.

4.2.4 Household size

Household size was determined by considering all members present in each household, including parents, children and dependants as shown in Table 5 below:

Table 5: Distribution of respondents by household size

Category (N=100)	S&C Members		S&C Non- Members	
	No.	%	No.	%
1-3	8	16	20	40
4-6	28	56	17	34
7-9	11	22	12	24
>10	3	6	1	2
Total	50	100	50	100

The table above shows that, majority of S&C member respondents (56%) had a family of about 4-6 members. Member respondents with family size of less than 3 members were 16% while member respondents with family consisting of 7-9 members were 22%. Further more it was found that the family with members more than 10 was 6%. The field data show that 40% of non-member respondents had the family size of below 3 members, while 34% of non- member respondents had family size of between 4-6 while non-members of 24% had a family size of between 7-9 members. And one non-member respondent had a family

4.2.3 Education status

Education always is valued as a means of liberation from ignorance, and enables one to perform non-traditional roles. All respondents were requested to state their levels of education, which ranged from illiteracy to college education. The field results revealed that majority of respondents had attained primary education. It was observed that 5% of members respondent interviewed had never attended formal education, while 12% were standard four leavers. The data also revealed that majority of member respondents interviewed (70% of WSCGMs) were standard seven leavers, while 10% were secondary school leavers.

The field results also show that 8% of non-members were found to be beyond secondary education level. However the data from non-members found to have big variation to those from members respondents, whereby 8% of member respondents had never attended formal education, while 46% were standard four leavers. The data also revealed that majority of member respondents interviewed (36% of WSCNGMs) were standard seven leavers, while 10% were secondary school leavers. The field results also show that 2% of non-members were found to be beyond secondary education level.

The high literacy rate indicates that, most of the respondents know how to read and write. Such a considerable high rate of literacy is an important input which may enable local people to be aware, understand and adopt new technologies more easily hence creating necessary strategies for avoiding and fighting against poverty in their localities. Makauki (1999) found that knowing how to read and write was sufficient in adoption of technologies whose dissemination demanded simple leaflets, pamphlets, posters, newspapers or other simple written materials. Formal education is also of great importance

of more than 10 members, which was 2%. The majority of both members and non members interviewed in this study, considered a family of at least 6 members or below to be a small family, while a family of 10 members and above was considered to be a big family. The reasons for many households to have small family size of 4-6 members in the study area was due to the fact that provision of health education focusing on family planning had been much advocated for quite long time in this area. These efforts have been taken so as to control high population growth in the study area, which is actually still not proportional the land availability. Arumeru District is one of the area in Tanzania, which has problems of land pressure.

4.2.5 Estimated annual income

During this study respondents were asked to say what was their estimated income per annum. Majority of the member respondents reported their average annual income to be Tshs 100,000 and 300,000. Fifty seven point one percent of them had income ranging from Tshs 100,000 to Tshs 300,000 per annum, while 14.3% of the members' respondents estimate their annual income to be more than 300,000 per annum. Only 28.6% of the respondents from WSCGMs reported to earn an annual income of below Tshs 100,000.

For the case of the respondents who were non-saving and credit women's group members, 76% of them said that they earn less than Tshs 100,000 as an average annual income. Furthermore 20% of non-members respondents reported to earn between Tshs 100,000 and Tshs 300,000 annual while 4% of non-members respondents estimated their annual income to be above Tshs 300,000. Table 6 shows as follows below:

Table 6: Distribution of respondents by estimated annual income

Category (N=100)	S&C Members		S&C Non-members		Chi-square
	No.	%	No.	%	
Less than 100,000	14	28.6	38	76.0	0.042*
Between 100,000 and 300,000	28	57.1	10	20.0	
More than 100,000	8	14.3	2	4	
Total	50	100	50	100	

* Statistically significant at ($P < 0.05$)

The data from Table 6 above indicates that respondents from women groups had higher annual income compared to respondents who were non-groups members. This might also indicate that, respondents from savings and credit women's groups had more opportunities of raising their income by improving their sources of earning income compared to Non-women's savings and credit group members. Women who are savings and credit group members have big chance of improving their productivity by learning new skills and acquire more experiences through their groups. Moreover women, who are in savings and credit groups, have access to credits grants and other supports through their groups, which might improve their productivity and increase their overall income thus improve their level of well being and alleviate poverty.

4.2.6.1 The one who control respondent's income.

Both members and non-members respondents were asked to mention the one who was the main controller of their income. This included also the one who controls profits acquired by member' respondents in from (income generating activities (IGAs) done by using the credit. Data are shown in Table 7.

Table 7: Distribution of respondents by who control income at the family level

Category (N=100)	S&C Members		S&C Non-members		Chi-square
	No.	%	No.	%	
Yourself	34	68	11	22	0.000***
Husband	15	30	37	74	
A member of a family (Close relative)	1	2	2	4	
Total	50	100	50	100	

*** Statistically significant at ($P < 0.001$)

The results from Table 7 show that the majority of members' respondents 68% were controlling themselves both their incomes and profit found from IGAs. Mainly because of the awareness they get from time to time when they attend trainings and exchange visits through their groups. The data also from the table 6 show that only 30% of members respondents' their income were controlled by their husbands who had total control over their income, while the other 2% of the members respondents reported that their close relatives had the control over their income. The field results further revealed that 22% of non-members' respondents said that they were controlling their income themselves while 74% of non members respondents said that their husbands were controlling their income, while 4% of non-members respondents reported that other close relatives were controlling their income on behalf of them.

The respondents who said that their closely relatives had a control over their income or their profit from IGAs done using credit that such a supervision was for their own benefit since many of them were still very young (18-25 years) to have a good control over their own income and other properties. No one among them was found blaming their relatives to misuse their income. However all respondents who said that their husbands had the total control over their income said that their husbands forced them to control their income

without their willingness, also their husbands misused their money and other profits that they are getting from their income generating activities performed using the credit. When asked what were the reasons for their husbands to have control over their income or forcing them to control, they said that culture that allows husbands to exercise control over many things in the household even those belonging to their wives, including their income, husbands are the ones give them capital to start business or fee to join the savings and credit groups. These abuses and other kinds of women oppression by their husbands may discourage women from participating in development activities both as individuals or collectively and hence affecting their contributing towards poverty alleviation.

4.2.6.2 Major income earner in the family

During the study, members and non-members were asked to mention the major income earner in the family as shown in Table 8.

Table 8: Distribution of respondents by the major income earner in the family level

Category (N=100)	S&C Members		S&C Non-members		Chi-square
	No.	%	No.	%	
Yourself	9	18	19	38	0.000***
Husband	41	82	29	58	
Others	0	0	2	4	
Total	50	100	50	100	

*** Statistically significant ($P < 0.001$)

Furthermore, more than half of both members and non-members respondents said that husbands or man were the main income earners in their families. This agreed with the notion that, husbands or men in many parts of the rural and urban areas in Tanzania are taken as the major income earners in the households. This is due to the fact that, social, cultural, economic as well as political spheres in many of the African countries including

Tanzania, put men in more conducive environment of accessing income and other resources such as education and health compared to women.

4.3 Existence of Women's Savings and Credit Groups

4.3.1 Women's savings and credit groups.

Member's respondents who were interviewed during the present study were coming from 50 savings and credit groups of women in East Arumeru. Among these groups see Table 9 are Mwamko, Aikaruwa, Jitegemee, Riziki, Elimu, Uhai, Usindi, Umoja, Gezaulole, Agape, Menzetu, Amani, Faraja, Nyotanjema, Ujamaa, Tumaini, Azimio, Muungano, Mafanikio, Ushindi, Mapato, Wapendanao, Urafiki.

Table 9: Distribution of members' respondents by groups

Category (N=50)	S&C Members	
	No.	%
Mwamko	6	12
Aikaruwa	4	8
Jitegemee	1	2
Riziki	2	2
Elimu	3	6
Uhai	2	4
Ushundi	3	6
Umoja	3	6
Gezaulole	2	4
Agape	2	4
Mvenzetu	4	8
Amani	1	2
Faraja	1	2
Nyotanjema	1	2
Ujamaa	1	2
Tumaini	3	6
Azimio	2	4
Muungano	2	4
Mafanikio	3	6
Ushindi	1	2
Mapato	1	2
Wapendanao	1	2
Urafiki	1	2
Total	50	100

4.3.2 Group size

During the present study, it was found out that the extent and the size of the groups differed from one group to another. It was found out that, many of members of the women's savings and credit groups preferred few members in their groups. Even the organization that is coordinating and supporting them in the study area was insisting groups to have few members. The NGOs name is WEGCC i.e. Women Economic Groups Coordinating Council. The reason given for preferring small groups by Group members and coordinating organizations, were it is easy to manage small groups rather than being ones. Also some said, it is easy to build solidarity of small groups and hence come up with a common vision and mission among them. The field results however showed that 52% of the member respondents said that their groups ranged from 1-5 people while 48% of the member respondents said that their groups have 6 to 10 members.

4.3.3 Objectives of forming the group

During the present study, a number of objectives towards formation of women's savings and credit groups were mentioned. Initially the members appreciated that working as a team increases the capacity of people and as a result they decided to join together so as to enhance their livelihoods. The data from the field revealed that 54% of the members respondents said that, the main objective of starting their groups was to access credit so as to obtain capital for business. They admitted to join into groups due to life hardships and difficulties to get capital as an individual, thus expecting to get capital so as to raise individual income in addition to what they had been earning.

The field result further showed that 16% of the member respondents said that the main objective was to enable members to acquire skills and share experience and knowledge among members of the groups while the other 16% of the member respondents said the major objective was to raise their level of well being and to start a new business after getting the credit. The field results also showed that the remaining 14% of the member respondents said that their major objective was to access credit and expand their already existing business. See Table 10 below:

Table 10: Distribution of members respondents by objectives of forming the group

Category (N=50)	S&C Members	
	No.	%
Access credit so as to obtain capital for business	27	54
Acquisition of skills and knowledge	8	16
Access credit and expand our business	7	14
Raise the level of our well being and start business	8	16
Total	50	100

4.3.4 Initiatives towards women's savings and credit groups

During the study member respondents were asked to state whether the groups were started by their own initiatives, and to give reasons whether the answer is yes or no. Thus, it was found that many women's savings and credit groups in the study area were formed by the credit lender (WEGCC). This is because WEGCC had seed money to start 'savings and credit project for women in East Arumeru. Very few groups of women were formed by women themselves and hence WEGCC came to provide loans to them. See Table 11.

Table: 11: Distribution of member's respondent's by the initiatives towards formation of women's S&C groups

Category (N=50)	S&C Members	
	No.	%
WEGCC	46	92
Ourselves	4	8
Total	50	100

The data from Table 11 show that 92% of member respondents said that the formation of their groups were initiated by WEGCC, while 8% of the member respondents reported their groups to be formed through their own initiatives. They further said that, previously they formed their groups themselves so as to be supporting one another in different social activities. It can be argued that women are quick to respond into development ideas so as to fight poverty. It was also observed that even though many of these groups were initiated by the donor agency, but the community in the study area needed the project. Therefore the group's members are committed as if they initiated the groups themselves. What is required is the creation of conducive environment that will enable women and other marginalized groups to form more groups and facilitate processes of empowering them so as to become effective in reducing poverty.

4.3.5 Group registration

The registration of the group is very crucial for the identification of the group, among the donor communities, private institutions, non-governmental organizations, Government as well as grassroots communities in rural areas. Registration of a group gives a legal status. Furthermore, experience shows that donor agencies prefer to support groups which are legally registered. TGNP (1993) argue that, every formal group or organization should get itself registered so as to enable it to receive credit, set up a bank account or other important

things that should give a group status of being trusted especially by donors and other financial institutions.

During the study it came out that 100% of the member respondents said that the Arumeru District Council had registered their groups. However, member respondents reported that, the registration involved a long process to be followed and hence consumed a lot of respondent's time. Therefore in order for the development to speed up, there is a need to review some of the conditions and procedures required for community based groups, particularly for women to be registered knowing that such groups are development catalysts in their own area.

4.3.6 Members requirements to join a group

As a tradition, any organized group or union has requirements to join the groups. The constitution in most cases has to state clearly what one has to do in order to become a member. In the present study, each women group had its own constitution. The respective members established diverse requirements in different groups in a joint agreement.

Table 12: Distribution of respondents by the requirements to join the group

Category (N=50)	S&C Members	
	No.	%
Should be a WEGCC member, educated, have self respect, and loyal	1	2
Should be mentally well, have self respect, pay entry fee and cooperative	3	6
Should have her own project, have collateral, educated and pay entry fee	8	16
Should be a WEGCC member, have assets for collateral and pay entry fee	38	76
Total	50	100

Table 12 shows various requirements set by the group leaders for one to join women's savings and credit groups in the study area. From the table about 6% said that, their groups had set requirements that one had to pay entry fees, have self respect WEGCC member mentally well and should be cooperative while 16% of member respondents said that one should have own project in place, have collateral, educated, WEGCC member and should pay entry fee, further more 2% said that one should be a woman, WEGCC member, educated, have self respect and loyal. However majority of member respondents 76% said that their groups had set the requirements that one had to become a member if she is a woman, a WEGCC member, have own project in place to stand as collateral and showed be able to pay entry fees.

Entry fees were found to be 10,000 all groups since they are all WEGCC members. It was also found that members used the entry fees money as a condition of getting loan from WEGCC. For example WEGCC's condition to provide loan to women is that, the group has to have its own deposit/savings before applying for the loan intended to take. Other requirements needed by members of different women's savings and credit groups included loyalty, attitude of hard working, love and wisdom, humble, ability to communicate and closeness with fellow women.

4.3.7 Obstacles that hinder many women to join savings and credit groups

When member respondents were asked to indicate major obstacles that hinder many women to join savings and credit groups in the study area, they gave the following obstacles. Forty eight percent of the member respondents said that their husbands refuses as well as lack of entry fees due to many commitments in their lives. While 28% of the member respondents admitted that they lack assets to be collaterals, moreover 20% of

members respondents admitted that they fear to be liquidated when they fail to repay the loan and the remaining 4% said that they normally see when people are participating group activities especially women, they do misunderstand among themselves thus they fear to fall into such a situation.

4.3.8 Problems that are faced by women groups

In the present study it was found that women groups in the study area have been facing different problems. Some of the problems mentioned by member respondents included coming late to group meetings, late loan repayments, and refuse to attend group meetings.

Table 13 show that 22% of member respondents said that their groups are faced by problems of coming late to the group meetings; late loan repayments and some members refuse to attend meetings. While the other 22% of member respondents reported to have problems of coming late to the meetings and not attend the meetings at all. Moreover 50% of the member respondents said that the major problem, which is faced by them, is late loan repayment by members which cause the rest of the members not to receive further loans. The remaining 6% of member respondents said that, they do not encounter any problems in their groups.

Table 13: Distribution of member respondents by group problems

Category (N=50)	S&C Members	
	No.	%
Coming late to the group meetings; late loan repayments and some members refuse to attend meetings	11	22
Coming late to the meetings and not attend the meetings at all	11	22
Late loan repayment	25	50
Do not encounter any problems	3	6
Total	50	100

Too much home or office responsibilities, members staying far from the group based area. and restriction from family members were some of the factors reported by member respondents to affect the attendance of many members in group meetings. It was also found out that, member respondents in East Arumeru, face problems of losing business. And lack of markets due to high competitions especially from the highly advanced producers. However other problems were bad weather conditions for example draught, price fluctuations and poor preservation methods especially for those who were dealing with food processing projects.

4.3.9 Ways to solve women's savings and credit group problems

During the present study, it was out found that savings and credit groups of women were using different procedures and ways to solve their problems. The common way, which was mentioned by majority of the member respondents, was through group meetings. In these meetings, problems and other issues related to group's activities as well as strategies to overcome group's problems are discussed. Some of the groups were found to have different committees, whereby, through them some of the problems, were solved. Group chairpersons and advisors were found to be used by some groups in solving problems and providing advises on how to overcome different groups' problems.

4.3.10 Training attended by group members' respondents so far

Group member respondents were asked if they have ever attended any training through their groups particularly related to the activities they are doing using the credit they got. This was done due to the fact that many of the groups members, including also entrepreneurs and managers of small enterprises, frequently lack experience or formal training in either technical or management of their enterprises and often lack basic literacy (World Bank, 1993). Some training offered is limited in its ability to reach small women groups firms both for lack of adequate personnel and relatively high fees which trainees are supposed to pay.

Most of business, technical and management training programmes operating in Tanzania exist in fixed locations to which students must travel for training. Many members of the women groups are less able to take time off from their families, farms and business for off premises training and therefore frequently fail to utilize existing opportunities. However, in this study, member respondents were mainly asked if they had received any training on how to operate and manage their income generating activities, as well as training on how to manage effectively the credit.

The data further found that, majority of group member respondents (82%) have received training in relation to running their IGAs and managing their credit. However 18% of the member respondents said that they have never attended or received any training through their groups. Moreover all respondents felt that they need more training on loan management, conditions and policies simply because it is an area which they feel to be more complicated to them especially when it comes to loan repayments.

4.4 Savings and credit related matters

In the 100 respondents 50% credit recipients were women while the other 50% were not credit recipients both living in Arumeru District particularly East Arumeru. More than a half (64%) of both members and non-member were doing farm activities while non-farm activities were done by 36% of both members respondents and non-member respondents. These results are good example, which deserves being emulated by other credit agencies not only in Tanzania but also elsewhere in poor countries to give credit more to women and rural people since they are the ones that are more vulnerable to poverty than others.

In the present study, data showed that 100% of the member respondents received credit from (WEGCC) Women Economic Group Coordinating Council. Furthermore it was found out that most women received credit around the year 2003.

4.5 Conditions attached to the credit by the lender

During the present study it was revealed that, the credit lender had formulated a number of conditions for every woman to adhere to in order to receive credit. All women's savings and credit member respondents agreed that, conditions were there and documented are as follows; one must be in a group of 5-7, be a member of WEGCC, a group must have a constitution must repay with an interest rate of (20%) per annum must have paid group entry fees which is Tshs 10,000, must have collateral, must have shares and must have paid group membership fees of Tshs 12,000 were to be fulfilled by them before applying for the credit. Further more 90% of the member respondents said that the conditions were good because they helped the group to be in a safe position when they want the credit. It was a rule that one has to save so that she can get credit, thus the money which they collect in their groups helped their in that way. The remaining 10% said that the conditions were bad

because, some people are very poor in such a way they can not afford some conditions example the entry and membership fees are too high for them.

5.6 Credit collateral

During the present study, members' respondents were asked to say whether there was any collateral before they applied and received credit. It was clearly found that 100% of the member respondents said that yes the collateral was there. The collateral was taken in terms of money. See Table 14.

Table 14: Distribution of member respondents by credit collateral

Category (N=50)	S&C Members	
	No.	%
Farm	7	14
Livestock	9	18
Furniture	26	52
Radio& Television	8	16
Total	50	100

From Table 14, one sees that, majority of member respondents (52%) put furniture as their collateral to get a credit, while 18% of the members respondents put live stories as their collateral. However 14% of the member respondents put farm as their collateral where as 16% of the member respondents put Radio and Television as their collateral so as to get the credit. Thus one could say that most women could afford to put furniture as their collateral, and these imply that. Many women own valued assets such as land and buildings.

4.7 Income generating activities performed by members using the credit

One of the factors mentioned as making women victims of poverty is lack of access to productive resources especially in rural areas, where the majority of women live (World

Bank, 1993). In the study area women who are members of savings and credit groups are performing individual activities / projects using the credit they got from WEGCC so as to supplement their income. See Table 15.

Table 15: Distribution of member respondents by income generating activities done using the credit

Category (N=50)	S&C Members	
	No.	%
Animal keeping, tree nurseries, small shops and hair salon	21	42
Vegetable growing, making water jars and pit latrine slabs, making traditional ornaments, food processing, tailoring as well as food vendor (Mamalishe)	29	58
Total	50	100

During this study it was found that women's savings and credit members preferred small-scale business and expansion of farm activities most. Data from Table 15 above show that 42% of the member respondents used the credit to expand already existing business such as animal keeping, tree nurseries, small shops, and a hair saloon. While 58% used the credit starting a new business for example vegetable growing, making water jars and pit latrines slabs, making traditional ornaments for tourism business, poultry and dairy cattle keeping, food processing, tailoring as well as food vendor. The member respondents said also that, they do such kind of activities so as to meet the following family needs. Pay school fees for their children, buy food and clothes for the family and build nice houses.

However during the present study, it was also found that among the non-member respondents also were performing income-generating activities. The activities did not differ from those of the member respondents since they live in the same environment. What differed is that, the non-members did not get loans from WEGCC. Others got from

SEDA and PRIDE, while others used their own money to fund their income generating activities.

4.8 Sources of income before getting credit

Sources of income before getting credit were from various activities as summarized in the Table 16 below.

Table16: Distribution of respondents by sources of income before getting credit

Category (N=50)	S&C Members	
	No.	%
Salary/wages	17	34
Non-farm activities	5	10
Farming	28	56
Total	50	100

Adding up together the figures from Table 16 of those who got income from farming activities before getting credit, one gets 56% of member respondents, while those who got from salary/wages was 34% of members respondents. Further more study data revealed that those who got from non-farm activities were 10% of the member respondents. Moreover, according to Mlawa (1999) a relatively small number of women in Tanzania are involved in wage/salary employment, where by they only comprise about 20% of wage and salaries employees clustered in stereotyped occupations such as nursing, midwifery, stenography, typing and in such other activities which require minimum qualification. Informal employment on the other hand, has been involving the majority of women in Tanzania both in rural and urban areas.

Thus one could say that, without credit initial and working capitals are too small for most people to undertake much income generating activities. Furthermore initial capital for starting a new business is too high for many people to afford. Therefore for those who cannot get capital from their previous businesses/activities, credit is important to them. Credit is also equally important to those with very little capital even if they are already undertaking various farm activities and non-farm income generating activities.

4.9 Level of poverty before and after the credit

Using the absolute poverty approach, the sum of the percentages of the very poor and less poor among all respondents before getting credit is 98% that is 60% plus 38% which represents the poor whose incomes were below the upper poverty line. After using credit on income generating activities, the sum was 76%. The difference between the two figures is 22%, which means that credit was able to reduce poverty level by 22% within a period of 2 years. That is a good figure within that relatively short time. If poverty in Tanzania were reduced at that rate, the objective to reduced poverty by a half by 2010 would be attained in about 5 years. Poverty expressed in such a way is poverty incidence or head count ration and is determined using the formula $H = \frac{q}{n} \times 100$, where H is poverty incidence in percentage, q is the number of the poor, and n is the population or sample. It can be used to monitor the percentage of people crossing the poverty line in Tanzania to be sure that the goals of reducing absolute poverty by 50% by 2010, and eradicating it by 2025 are attained bit by bit.

Moreover, in the present study, S&C member respondents were asked to mentioned the reasons as to how credit has helped to raise their level of well being. 100% of the member respondents admitted that they have increased income at household level. This imply that

women who engaged in savings and credit groups, increased their level of well being at the household level hence fight against poverty. The reasons mentioned were as follows: expanding their already existing business, have raised their level of well being by increasing capital, have improved family nutrition, can buy more livestock and can now help their relatives. Thus the data imply that credit has got importance to women in reducing poverty at household level. See Table 17.

Tables 17: Distribution of respondents by level of poverty before and after the credit

Category (N=50)	S&C Members			
	Before credit		After credit	
	No.	%	No.	%
Less poor	30	60	21	42
Non-poor	1	2	12	24
Very poor	19	38	17	34
Total	50	100	50	100

4.10 Changes in income and expenditure among credit recipients.

Respondent were asked to state whether their income and consumption expenditure had increased or decreased after getting credit. Their responses are summarized in Table 18.

Table 18: Distribution of member respondents by changes in income and expenditure

Category (N=50)	S&C Members			
	Income		Expenditure	
	No.	%	No.	%
Increased	33	65	29	58
Decreased	17	35	21	42
Total	50	100	50	100

From Table 18, Sixty five percent of the member respondents estimated their income to have increased by about thirty-five percent out of 100% of their average annual income ranging between Tshs.100, 000 and 300,000. Fifty eighty percent of them said that their

expenditure had increased because of expanded household sizes, they got more profit from their IGAs and bought additional productive assets, paid school fees for their children and other dependents, paid hospital and water bills and improved nutrition. For those whose income had decreased (35%) of the member respondents said that it was due to poor markets for their goods, and other business that they were doing. Thus failed to get profit from their activities, while 42% of member respondents explained that, their expenditure decreased due to lack of clear vision and mission of the credit. Therefore, both increases in income and expenditure were indicators of improvement in well being to some member respondents.

4.11 Assets owned before and after the credit

Assets owned before and after credit are recorded in the Table below, which shows that majority of women member respondents (58%) owned furniture at the household level, while 24% of member respondents owned finished house. Further more the data from Table 19 revealed that 18% of the member respondents owned house, farm and livestock. After the credit the data showed that majority of women member respondents (52%) owned brick making project, farm and a house, while 26% of the member respondents owned farm and livestock and the other (26%) of women who are member of savings and credit groups owned furniture. Thus one could say that, if we compare the status before and after the credit in terms of assets ownership, the answer could be, there was some improvement.

Table19: Distribution of respondents by the assets owned before and after the credit

Category (N=50)	S&C Members			
	Owned before credit		Owned after credit	
	No.	%	No.	%
Finished house	12	24	26	52
Furniture	29	58	13	24
House, farm and livestock	9	18	11	22
Total	50	100	50	100

4.12 Deficiencies in credit provision by the lender

During the present study, member respondents were asked to mention deficiencies encountered by them during loan provision by their lender. The data from the table above about 80% of members' respondents said that there were no problems, while the remaining 20% of member respondents said that there were some problems in credit provision. The major deficiencies mentioned were, late provision of credit in relation to agricultural seasons and dates of application, and too short grace period. Thus the conclusion made under this section is that, WEGCC are doing a commendable job and credit was the felt need of this community since only 20% of the member respondents reported to have encountered some few problems in the study area.

4.13 Community awareness of the existing women's savings and credit groups

When non-member respondents were asked if they had information about existing women groups in the study area, 80% of them said that they have information concerning the said groups in the study area. The remaining 20% of non-members respondents said that they do not have information pertaining to the existence of womens' savings and credit groups. Moreover, the non-member respondents who had heard about the existence of the groups said that they had heard about the existing groups from their friends who are in the groups while others were further found saying that they were in the process of joining the already

existing groups or forming their own new groups. But during the present study, it was found that, some of the women in the study area still do not have enough access to important information concerning their own affairs, including information about the NGOs, which provide credit and deal with women development in the study area. This is because there are poor infrastructures in the study area. Furthermore, the non-member respondents were asked to say why they are not members of the said groups. Their major responses were that, some have not yet decided to join the savings and credit groups of women, others said they do not have entry fees and they can not cope with the conditions accompanied by the credit.

4.14 Perception of women's savings and credit groups by the society

In the present study, it was found that the commonly held perception of many people is that groups formed by women only can not make success in whatever economic activities which they are going to do compared to mixed groups or groups formed by men alone. All this is caused with the existing culture in the area, it is therefore requires a long period of education and sensitization to enable both men and women to accept the need for the struggle of women development.

Further more it came out that, the other perception which found to be held by the community towards women's savings and credit groups is that many of those who join not one women groups but also other organized groups are people who do not have activities to do. Others said that, these women are more developed, have capital, able to raise their well-being and they can provide skills and knowledge to other women since they are experienced.

4.15 Hindrance factors to members in terms of their participation in women's savings and credit groups

For an individual woman to decide to join a group there must be certain motivating factors where by they can be either intrinsic or induced from external situation. Non-member respondents were asked to mention main factors that hinder majority of women to join and participated in women's savings and credit groups in the study area. The factors are shown in the Table 20 below:

Table 20: Distribution of non-member respondents by major hindrances of many women not to participate in savings and credit groups

Category (N=50)	S&C Non-members	
	No.	%
Hard credit conditions	5	10
Lack of enough time	9	18
Husbands refuses	5	10
Fear of failure to repay the credit	13	26
Lack of knowledge and skills	10	20
High interest rate	8	16
Total	50	100

During the present study data revealed that the majority of respondents (26%) said that they fear to fail to repay the loan since they have not yet decided what they would do with the loan if they take it and fear of being liquidated. Twenty percent of the non-member respondents said that, they lack knowledge and skills on how they will join the group and use the loan. While 18% of respondents said it is due to lack of enough time to participate in women savings and credit groups (WS&CGs) since group activities might coincide with their family activities and office work for those who are employed. Ten percent of the non-member respondents said that they couldn't join WS&CGs because they cannot cope with the credit conditions.

The others which take 16% of the non-member respondents said that, the credit interest rates are high thus they fear it. More over 10% of the respondents said that their husbands refused them to join and participate in the said groups activities. On the other hand it was found that women are very cooperative in things such as ceremonies, wedding and burial activities.

4.16 Training with regard to operating business (IGAs) performed by non-member respondents

Respondents who were not members of women groups were asked to explain if they have ever attended any training specifically related to the activities, which they are depending largely on to earn their income. The results show that 54% of non-member respondents have never attended training that related to the activities, which they largely depend on earning their daily income. Only 46% of the non-member respondents said that they have attended training relating to the activities, which they were largely engaging and depending on. The training was conducted in their respective villages with an NGO called Community Aid and Small Enterprises Consultancy (CASEC) for one week in 2003.

Non-member respondents were asked how they manage to perform many of their activities without being trained on them, majority of them said that they had been learning many of the activities which they are engaging, through their parents, relatives and friends. Although some of them admitted that they have been learning some of the activities through people who have attended formal training, the results however indicate that informal education is still important in any communities especially in the third world countries. It is therefore the role of government, NGOs and the community in general to acknowledge and support some of the traditional cultures, which motivate the practice of

informal education. This is due to the fact that, many people particularly rural dwellers are still having little access to formal training.

In addition to that much of the formal training is western oriented which make much of such training to be inappropriate with many of the activities performed by people in developing countries, especially in rural areas. This makes informal education to be largely undertaken and much needed in our situation, although caution should be taken to discourage some of informal teachings, which lead people to bad practices. Other non-members respondents were reported saying that, they were doing many of their activities through the experience that they have accumulated for a number of years. There were those who were found saying that they manage to do many of their activities just through the general knowledge which they acquired when they were at school.

This also implies that the philosophy of insisting some of the lessons such as agriculture, fine art and handwork, to be taught in both primary and secondary schools has enabled graduates to perform some of the activities which also depend on them to earn their incomes.

4.17 The extent that the scheme has succeeded

Generally, Eastern part of Arumeru District is one among poorly developed areas in Tanzania due to underdeveloped infrastructure, negligible capital investment and less effort to put into social development. Per capita incomes average Tanzanian shillings 210,000/= (Arumeru District Profile 2003) Access to credit for income generating activities after the collapse of the cooperative movements in the 1990's, has become marginal.

There are many NGOs in the study area, which they provide micro credits. These are Business and Entrepreneurship Support Tanzania (BEST), Women in Agriculture Development and Environmental conservation (WADEC) and WEGCC just to mention a few. WEGCC is the one which the study focused on. European Union is funding WEGCC savings and credit programme for women in the study area.

During the present study, key informant from WEGCC (Lenders) were asked to explain in percentage on extent to which the scheme has succeeded so far in East Arumeru. Their responses ranged from 70% - 75%, which was referred to as very good. Moreover, the key informants said that, the only factor, which this range of ratio based, was the improved income among savings and credit member respondents. Furthermore, they said that the scheme has been operating for the past 6 years in Arumeru District, East being one of the areas. Also they reported that members of savings and credit groups receive initial loan of 500,000 each person.

Key informants also revealed that, there are various actions or penalty taken to those who fail to repay their loans. The actions include, taking members collaterals such as assets, house, furniture etc. Which were put during the application of loan to guarantee them to get credit.

In terms of suggestions about the scheme, key informants suggested that, Government and other NGOs, should put much emphasis on training on how to run income generating activities and small enterprises since some women in the study area were found to take loans without having proper vision and mission on how to invest or use the credit with.

However the credit officials pointed out that the major problem which they do encounter in implementation of their programme is late loan repayment which at times forces them to sell some assets of the credit recipients so as to repay the loan timely. Never the less, lenders are agencies that are widely expected to train their beneficiaries on running their investment activities thus they should also do so, so as to bring about sustainable credit schemes which will have positive contribution towards improving the livelihoods of women at the household level.

4.18 Sustainability of IGAs done by credit if lending stopped

During the present study, member respondents were asked say whether their activities will be sustainable if the lending get stopped. Ninety two percent of the member respondents said YES while 8% of the members' respondents said No. The Table 21 below lists the reasons mentioned by those who said their activities will be sustainable after the lending period.

Table 21: Distribution of respondents by the reasons for sustainability of their IGAs if lending is stopped

Category (N=50)	S&C Members	
	No.	%
Capital has grown, acquired education and experience in business and able to use my savings for further IGAs	31	62
Expanded farming activities	3	6
Expanded my business and capital has grown	3	6
Got capital, Experience in business operation and availability of many customers	13	26
Total	50	100

The table above revealed that 62 % of the members respondents said that their activities will be sustainable because their capital has grown, got education and experience on how to operate IGAs, while 26% of the members respondents said that their activities will be

sustainable due to the facts that they have acquired capital, experience of sunning IGAs and have many customers moreover 6% of the members respondents said that they will sustain their activities because they have expanded their business and their capital has grown, the remaining other 6% said that they hope to sustain their activities because they have expanded their farming activities therefore they hope to get more profit from the said activities.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

The importance of women savings and credit groups is acknowledged worldwide. The role of women's savings and credit groups in Eastern part of Arumeru District was measured in terms of credit outreach to women enabling them to save, improve income, nutrition, education, health services and asset ownership. With regard to these indicators, credit recipient reduced poverty because: More than 80% of women were given credit, there were significant increases in incomes of all groups of credit recipient.

The impact of credit on poverty alleviation was positive among all the recipients of credit, assets and savings increased, most members respondents (92%) were confident that their activities would be sustainable even if lending to them stopped since their capital had grown. They had some savings and entrepreneurial skills, about 90% of respondents responded negatively to the statement that credit should not be provided. All these together have confirmed the improvement of individual members productivity and hence improving the livelihood of group's members as well as motivating the development of the entire community.

Furthermore since more than 50% of the non-savings and credit group members respondents in East Arumeru showed the interest of joining the savings and credit groups, thus one could say that they have also acknowledged the role played by women's savings and credit groups in the alleviation of poverty among rural women.

As measured in terms of income increment as a percentage of income before getting credit, the effectiveness of credit on poverty alleviation is higher among the women's savings and credit groups and lower among non-women savings and credit group members. Generally, in all credit recipients credit has positive effect on poverty alleviation, contrary to some literature, which says that credit has negative impact on poverty alleviation among the very poor. However, the very poor hardly have access to credit, even from some informal and semi-formal micro finance service providers, due to lack of collaterals as a guarantee for getting credit.

Many factors were found to have inhibited the process of poverty alleviation. The leading inhibiting factors were: lack of market and stiff competition, small capital, high interest rates and short grace period. Other important inhibiting factors were husbands squandering credit money, using credit money for family needs and long loan periods.

Unless deficiencies in credit provision; especially little amounts of credit, high interest rates, and too short grace periods; are addressed by credit providers, credits will not be much effective on poverty alleviation. They may even aggravate poverty, for example, through repayment of unreasonably high debts accruing from high interest rates.

Unless major activities done using credit especially markets of products and services are tackled, the effectiveness of credit on poverty alleviation will not be much.

There are some negative effects of credit on poverty alleviation, which include using one's savings from other sources to repay credit after getting loss in the activities done using

credit, or selling some assets to repay credit tamely. However, this happens in so few borrowers (less than 10% of them) that it does not justify discouraging credit provision.

The study had two null hypotheses relating to level of well being of those in groups and non-groups members. The chi-square statistic was applied to test them. The hypothesis that there is no statistically significant difference in credit recipients and non-recipients was rejected.

5.2 Recommendations

5.2.1 Programme/Policy

WEGCC else where in Tanzania are urged to emulate the example of WEGCC in the East Arumeru District to give credit to more women, female-headed households, rural and urban women and women mainly doing farm and non-farm activities respectively.

Since, using various indicators of the role played by women's savings and credit groups in poverty alleviation as summarized in table 1, role of credit has been found to be effective on poverty alleviation in almost all the groups of borrowers, an appeal is hereby addressed to formal, semi-formal, and informal micro finance institutions, and individual moneylenders, to be sceptical about any literature that says that credit has negative impact on poverty among the very poor. Instead of avoiding advancing credit to them, lenders are urged to give priority in lending to them, but while controlling various lenders-related, activities-related and borrowers-related factors that may reduce credit effectiveness among borrowers.

There is a need to address the deficiencies in credit provision and other deficiencies. In under taking improvement measures, suggestions given by credit recipients can be considered to find at least a few of them which may be feasible.

Further more some of the suggestions given by credit group members include insuring IGA's done using much credit, and closer monitoring of credit use and sitting optimum interest rates.

For more effectiveness of the role played by women credit recipients on poverty alleviation, credit providers are urged to review from time to time their policies for credit provision with more attention to amounts of credit provided, interest rates charged, and grace periods allowed for various activities and in various geographical locations.

Banks could develop strategies for ensuring that obstacles against women borrowing are addressed. They could also encourage the informal sources of credit by linking them to the formal banking system and support them in institutional arrangements in offering credit to women's IGAs. Banking policies should also encourage mobilization of financial resources from all possible sources, such as personal savings, informal sources like Rotating Saving and Credit Associations (ROSCAs) and guarantee informal schemes as well as group savings.

5.2.2 Community Level

Women groups should be provided with information by development agencies on marketing and should be encouraged to produce for the different needs of the local market.

Since some women groups fail to undertake income-generating activities because of lack of capital, the government and rural development agencies should assist rural women groups to get capital. One way of doing this can be offering of credit with substantial reduction of collateral needs, low interest and soft repayment terms.

Furthermore, while all poor people struggle with the lack of confidence, which comes with poverty and exploitation, women are worse due to the added dimension of gender oppression. Therefore training for members of women groups and women in general should be backed up with confidence and self-awareness building.

5.3 An area for further research

The study recommends the following for future research:

The study found that there are many credit lenders in the area apart from WEGCC. Therefore since these other agencies do not focus on women only but both women and men, a research on how credit is alleviating poverty from both women and men is important so that comparison can be made among groups of only women and those of both of them as well as comparing the credit lenders in the area.

REFERENCES

- Ackerly, B. A. (1995). Testing the tools of development: Credit programmes, loan involvement, and women's empowerment. *IDS Bulletin* 26 (3): 56 - 67.
- Adams, D. W. and Pischke, J. D. V (1992). Micro-enterprise credit programs. *World Development* 20 (10): 1463 – 1470.
- Arumeru District Profile (2000). Planning Department: Arumeru Arusha. pp 29-30.
- Babbie, E. R. (1990). *Survey Research Methods*, Wardsworth Publishing Co, Belmont California, 395pp.
- Bagachwa M. S. D. (1994). Changing Perceptions of Poverty and Emerging Research Issues. In: *Poverty alleviation in Tanzania: Recent Research issues. (Edited by Mboya, B.)* Dar-es-Salaam University Press. pp. 1 - 30.
- Bagachwa, M. S. D. (1995). The Informal Sector Under Adjustment in Tanzania. In: *Beyond Structural Adjustment Program in Tanzania: Successes, Failures and Perspectives. (Edited by Msambichaka, A., Kilindo, A. and Mjema, D. G.)* Dar es Salaam Economic Research Bureau and University of Dare es Salaam (ERB-UDSM). pp. 267-298.
- Banturaki, J. A. (2000). *Cooperatives and Poverty Alleviation*. TEMA Publishes Co, Ltd Dar-es-Salaam 48pp.
- Batliwala, F. (1983). Women in poverty. In : *A paper presented at the Urban and Poverty Workshop held at the Centre for Social Studies, Calcutta India, 1993.* pp 19 - 25.
- Bernard, H. R. (1994). *Research Methods in Anthropology*. Sage Publishing Inc. 584pp.

- Bank of Tanzania (BoT), (2003). *Economic Bulletin for the Quarter Ended 31st March, XIV (1)*. Dar es salaam. 64pp.
- Buckley, G. (1997). Micro-finance in Africa: Is it either the Problem or the Solution? *World Development* 25 (7): 1081 - 1093.
- Clayton, E. (1983). *Agriculture, Poverty and Freedom in Developing Countries*. Macmillan Education Ltd., London. 277pp.
- Druschel, K., Jennifer, Q. and Cristina, S. (2001). *State of Microcredit Campaign Report 2001*. Deutsche Bank, Open Society Institute, The Hana Foundation. 18pp.
- Food and Agricultural Organization (1996). *Women Feed the World in World Food Summit*. November 1996. Rome, Italy, 134pp.
- Hemmer, H. R. (1987). Development and Poverty Some Basic Issues. Scientific positions to meet the challenge of rural and urban poverty in developing countries. [[http: www.google.com](http://www.google.com)] site visited on 13/7/2003.
- Hurley, D. (1990). Income generation schemes for the urban poor development guidelines No. 4 [[http: www.oxford.oxfam.org/public/index.htm](http://www.oxford.oxfam.org/public/index.htm)] site visited on 2/5/2004.
- IFAD (International Fund for Agricultural Development) (1993). *The state of world Rural Poverty*. A Profile of Africa pp.7-29.
- , ILO (International Labour Organisation) (2001). Gender issues in poverty alleviation and employment promotion [[http: www.ilo.org/public/bureau/poverty/index.htm](http://www.ilo.org/public/bureau/poverty/index.htm)] site visited on 12/2/2003.
- Jazairy, I., Alangir, M. and Panuccio, T. (1995). *The State of Rural Poverty: An Inquiry Into its Causes and Consequences*. New York University Press for IFAD. 514 pp.

- Kashuliza, A. K., Hella. J. P., Magayane, F. T. and Mvena, Z. S. K. (1998). *The Role of Informal and Semi-formal Finance in Poverty Alleviation in Tanzania: Result of a Field Study in Two Regions*. Research Report No. 98.1. Dar es Salaam: REPOA. 62 pp.
- Kayunze, K. A. (1998). Comparative contributions of non-farm and farm enterprises to rural poverty alleviation in Mbeya Region, Tanzania: Case studies of Ileje and Rungwe District. Unpublished Dissertation for Award of M A Degree at Sokoine University of Agriculture, Morogoro, Tanzania, 145 pp.
- Khan M. (1985). Cooperative Organization in the service of Marginal Groups In: *Cooperatives in the Clash between Members' Participation Organizational Development and Bureaucratic Tendencies (Edited by Dulfer, E. and Hamm, W.)* Philips University of Marburg. pp 117 – 121.
- Kiros, F. G. (1985). *Challenging Rural Poverty*. Africa World Press. 230pp.
- Kitchen, R. L. (1986). *Project Planning Center to Development Countries University of Brandford*. Published by Scott. Iverson University of Washington. pp 34-36
- Koda, B. (1995): Women participation in politics and public life in Tanzania. In *Gender and Development in Tanzania*, compiled by Njau, A Mruma, T. [<http://www.gender.org/poverty.htm>] site visited on 9/12/2003.
- √ Kulekana, J. (2001). *Government keen on Wider Financial Reforms*. Daily News, Tuesday, March 27, Dar es Salaam: Tanzania Standard News Papers Ltd. pp. 15
- Kumar, T. K (1993). Measures of the poverty suited to design and evaluate poverty alleviation programmes. *Economic and political Weekly* 25: 2893 - 2895.
- Levitisky J. (1993). *Innovations in the Financing of Small and Micro Enterprise in Developing Countries*, Geneva, ILO 140 pp.

- Lorraine, C. (1997). Rural development and poverty alleviation in ASEAN, a Gender Perspective.[<http://www.unifem-eseasia.org/Techpepers/poverty.html>] site visited on 2/3/2003.
- Mahajan, V. (1998). Is micro credit the answer to poverty eradication? In: *Perspectives and Practices: Essays On Grassroots Development*, (Edited by Binoy, A., Deepa S. and Debmuni G.) Ahmedabad UNNATI-Organization for Development Education. pp. 55 - 56
- Makauki, A. F. (1999). Factors affecting adoption of agro forestry farming systems in Turiani Division, Morogoro, Rural District. Unpublished Dissertation for Award of M A Degree at Sokoine Universty of Agriculture, Morogoro, Tanzania, 92pp.
- Makombe, I. A. M., Temba, E. I and Kihombo A. R. M (1999). *Credit Schemes and Women's Empowerment for Poverty Alleviation*. The case of Tanga Region. Tanzania REPOA Kitabu commercial Printers, Dar-es-Salaam. 67pp.
- Makombe, I. A. M. (1990). The Mabati women groups of Kenya. In: *Women Managing Resources*. (Edited by Smith, D. L. 1999) Mazingira Institute Nairobi, Kenya. pp. 36 -87.
- Mandara, E. J. (1998). Assessment of factors influencing women's participation in off farm income generating activities. Unpublished Dissertation for Award of MSc Degree at Sokoine University of Agriculture, Morogoro, Tanzania. 101 pp.
- Mbughuni, P. (1994). Gender and Poverty alleviation in Tanzania: Issues from and for Research In: *Poverty Alleviation in Tanzania. Recent Research Issues*, (Edited by Bagachwa, M .S. D) Dar es Salaam University Press (DUP). pp. 207 - 248.
- Misana, S. B (1995). Gender Dimension, Poverty and Women Empowerment. In: *A paper presented at the Zanzibar Retreat on Poverty Reduction and Elimination*. pp 39-53

- Mlawa, S. R. (1999). Women's Poverty and Its Health Effects. In: *Poverty and Health- Proceeding of the Seventeenth Annual Scientific Conference of the Tanzania Public Health Association*. November 23 - 26 1998, pp 86 - 88.
- Mosha, A. C (1996). Presentation Ceremony of the Beijing Declaration and Platform for Action: *Bringing Beijing Home*. Exhibition and Presentation Ceremony at Kilimanjaro Hotel. 8 March 1996, pp 14 - 17.
- Mosley, P. and David, H. (1998). Micro-enterprise finance: Is there a conflict between growth and poverty alleviation? *World Development* 26 (5): 783 - 790.
- Mtatifikolo, F.P. (1994). Implications of public policies on poverty and poverty alleviation: The case of Tanzania, In: *Poverty Alleviation in Tanzania. Recent Research Issues*. (Edited by Bagachwa M. S. D) Dar-es-Salaam (DUP). pp. 91-122
- Narayan, D. (1997). *Voices Of the Poor*. Poverty and social capital in Tanzania. The World Bank, Washington D.C 80pp.
- Ndashau, M. O. (1990). *Informal finance in Africa: A case of UPATU groups as ROSCAs in Dar es Salaam Tanzania*. [<http://www.tanzaniaonline.org/poverty.htm>] site visited on 2/3/2003.
- Nitsch, M. (2001). On the way to commercial micro-credit. *D+C Development and Cooperation*, 1: 12 - 14.
- Panda, S. M., Lund, R. (1998). Gender-sensitive planning in Asia: Its status and some directions. *Regional Development Dialogue* 19 (I): 71 - 83.
- Pearson, R. (1992). Gender matters in development In: *Poverty and Development in 1990's* (Edited by Allen, I. and Thomas, A.) Oxford. pp. 33 – 77.

- PRIDE–Tanzania (1997). Promotion of rural initiatives and development enterprises Annual Report. [<http://www.pride/Pubs/files/isp.pdf>] site visited on 13/2/2004.
- Remenyi, J. (1993). Where Credit is due: Income-generating programmes for the poor in Developing Countries,. IT Publications London. 36pp.
- Schriender, G. R. and Carlos, E. (1989). The structure and importance of financial groups in Cameroon. In: *A paper in a seminar on informal financial markets in development*. Washington D.C. October 18-19 1989, pp 7 – 15.
- Temu, A. and Hill, G. (1994). Some lessons from informal financial practices in Rural Tanzania. *Africa Review of Money and Banking* 2: 9 - 19
- TFNC and TAHEA (1987). *Women's workload, how do we reduce it?* Proceedings of the Joint TFNC – TAHEA Seminar, Dar-es-Salaam September, 1987. 18pp.
- TGNP (1993). *Gender profile of Tanzania* Dar-es-Salaam Inter Press of Tanzania Ltd. 137pp.
- Third World Women (1993). Sharing the poverty but not the power [<http://www.untitledgenderandpoverty-oxfarm.htm>] site visited on 24/3/2004.
- UNFPA (2002). State of the World population [www.unfpa.org/swp/2002/presskit/English/summary4.htm-15k] site visited on 6/7/2003.
- UNIFEM (1994). Women 2000: Women in Extreme Poverty. Division for the Advancement of Women. No 1. [<http://www.unifem-eseasia.org/resources/newsletter/2000march.htm>] site visited on 26/11/2004.
- UNIFEM (2003). Rural development and poverty alleviation, a gender perspective [<http://www.unfem.org/Techpaper/poverty.html>] site visited on 12/12/2004

- URT (1998). *The National Poverty Eradication Strategy Draft*. Vice President's Offices Dar-es-Salaam. 54pp.
- URT (2000a). *Poverty Reduction Strategy paper (PRSP)*. Government Printers, DSM – Tanzania 63pp.
- URT (2000b). *National Micro finance Policy*. Government printers Dar es Salaam: Ministry of Finance. 27pp.
- United Republic of Tanzania, (2002). *Rural Development Strategy*, President's Office Regional Administration and Local Government-Dar es Salaam. 124pp.
- URT/UNICEF, (1990). *Women and Children in Tanzania: A situation analysis*, Dar-es-Salaam Tanzania. 20pp.
- Waring, M. (1988). *If Money Counted: A new feminist economics*, Hurper and row, New Zealand. 120pp.
- World Bank (1990). *World Development Report 1990. Poverty*. Oxford University Press. 260pp.
- World bank (1992). *Development Report of 1992. World bank*. Washington D.C. 220pp.
- World Bank (1993). Tanzania. *A poverty profile*. Draft of Report No. 112298-TA. Population and Human Resources Division, Eastern Africa Development, Africa Region. 164pp.
- World Bank (2000a). *World Development Report 2000/01 Attacking Poverty overview*. Washington D.C World Bank. 335pp.
- World Bank (2000b). *Can Africa Claim the 21st Century?* Washington, DC: World Bank.167pp.

World Bank. (2002). Achieving the Millennium Development Goals: Progress, Prospects, and Policy implications In: *Global Poverty Report*, African Development Bank [<http://www.developmentgoals.org>] site visited on 26/11/2004

Zeller, M. (2001). Promoting Institution innovation in Micro finance: Replicating Best Practices is not enough. *D+C Development and Cooperation*. 1: 9 - 11.

APPENDICES

Appendix 1: Questionnaire for women's savings and credit group members

GENERAL INFORMATION

1. Name of the group
2. What is your age (put a tick in a right answer)
 - a). 18-25 ()
 - b). 26-33 ()
 - c). 34-41 ()
 - d). 42-49 ()
 - e). Above ()
3. Marital status
 - a). Single ()
 - b). Married ()
 - c). Divorced / Separated ()
 - d). Widowed ()
4. What is your education level?
 - a). No formal schooling ()
 - b). Standard I – iv ()
 - c). Standard VII ()
 - d). Secondary school ()
 - e). College ()
5. What income category from your activities do you belong to? (Tshs per annum)
 - a). Less than 100,000/= ()
 - b). 100,000-300,000/= ()
 - c). Above 300,000/= ()

6. What is the major source of your income?
- a). Salary / wages ()
 - b). Non-farm activities ()
 - c). Farming ()
 - d). Others (specify)
7. Who is the major income earner in the family?
- a). Myself ()
 - b). Husband ()
 - c). Others (specify)
8. How many are you in the household?
- a). 1 – 3 ()
 - b). 4 – 6 ()
 - c). 7 – 9 ()
 - d). Above 9 ()
9. Who control your income?
- a) yourself ()
 - b) Husband ()
 - c) A member of a family (specify) ()

GENERAL CHARACTERISTICS OF SAVINGS AND CREDIT WOMEN GROUPS.

10. What is your group size?
- a). 1 - 5 ()
 - b). 6 – 10 ()
 - c). 11 – 15 ()
 - d). 16 – 20 ()
 - e). Above 20 ()

11. What is the average (age group) of your group members?
- a). 18 – 25 years ()
 - b). 26 – 33 years ()
 - c). 34 - 41 years ()
 - d). 42 – 49 years ()
 - e). Above 49 years ()
12. What are the group objectives?
- a).
 - b).
 - c).
13. Was the group formed from your own initiatives?
- a). YES ()
 - b). NO ()
14. If the answer above is “NO” who initiated the formation of the group?
.....
15. When was the group formed?
16. What do you consider to be the biggest obstacles to most women in terms of their Participation in group activities?
- a).....
 - b).....
 - c).....
17. Is your group registered?
- a) YES ()
 - b) NO ()

18. If the answer above is "NO" why? (Explain)

.....
.....
.....
.....

19. What are the requirements for a woman to join a group?

- a).....
- b).....
- c).....

20. What are Income generating activities (IGAs) do you do by using the credit

- a).....
- b).....
- c).....

21. What are the day to day problems that your group encounter?

- a).
- b).
- c).

22. Of these problems, what were the solutions suggested by the group leaders?

- a).
- b).
- c).

23. What steps do you take to solve the problems affecting your activities?

- a).
- b).
- c).

THE SAVINGS AND CREDIT RELATED MATTERS

24. Where did you get the credit from?
25. When did your group received the credit?
26. Was there any collateral for the credit?
- a). YES ()
- b). NO ()
27. If "YES " mention Name.Equivalent to Tshs
.....
28. What reasons made the group to look for credit?
- a). To get initial capital? ()
- b). To expand the business that was going on ()
- c). Because others were borrowing ()
- d). Because lenders were there ()
- e). Other reasons (Specify) ()
29. Before getting credit what was the source of income for you and you household members?
- a). Salary / wages ()
- b). Non-farm activities ()
- c). Farming ()
- d). Others (specify) ()
30. Since the group received credit, how would you compare your level of poverty before and after getting credit?
- | Before: | After: |
|------------------|------------------|
| a) Less poor () | a) less poor () |
| b) Non poor () | b) Non poor () |
| c) Very poor () | c) Very poor () |

ASSETS OWNED BEFORE AND AFTER GETTING CREDIT.

31. What assets did you or any member of your household own before getting the credit?

- a)
- b).....
- c)
- d).

32. What assets did you or any member from your household own after getting credit?

- a).....
- b).
- c).
- d).

CONDITIONS AND PROCEDURES OF GETTING CREDIT.

33. What procedure did you follow to get the credit?

.....

34. What are the conditions attached to the credit that you got?

- a).
- b).....
- c).....

35. Are the conditions good or bad?

36. If bad, why?

37. What is the interest rate that is changed per annum on the credit that you got?.....%

38. Is there any grace period before starting repaying the credit
- a). YES ()
 - b). No ()

SAVING AFTER GETTING CREDIT.

39. How much cash do you save when repaying the credit?

HOUSE HOLD INCOME AND COMSUMPTION EXPENDITURE

40. On what items do you normally spend profit from activities undertaken using credit?
- a). Business ()
 - b). Buying family food and clothes ()
 - c). Statting new enterprises ()
 - d). House construction ()
 - e). Paying for children's education ()
 - f). Others (Specify)

41. Has your household income and expenditure increased / decreased after using credit?

Income:	Expenditure:
Increased ()	Increased ()
Decreased ()	Decreased ()

42. Has credit helped you to raise your level of well-being?

43. If yes how

44. If no why

45. Has the credit helped you to improve level of well being?

- a). YES ()
- b). NO ()

46. If YES, how has it helped you?

47. If NO, why.

MISCELLANEOUS QUESTIONS

48. Have you attended any training on running the economic activity that you are doing using credit?

1. YES

2. NO

49. If YES, where. When and for how long?

50. What were you taught during the training?

51. How do you keep records in your income generating activities?

52. What are the constraints facing you in running the activities?

a).

b)

c).

53. Will your activities be sustainable after paying back the credit

1. YES

2. NO

54. If YES, How?.....

55. If NO, why?

56. Are there any deficiencies of credit provision by your lender? YES/NO ...

57. If YES what are they?

- a)
- b)
- c)

58. What are your suggestions for improving provision by your lender?

.....
.....

THANK YOU FOR YOUR COOPERATION

Appendix II: Questionnaire for non-women's savings and credit group members

GENERAL INFORMATION

1. What is your age? (Put a tick on the right answer)
 - (a) 18 - 25 ()
 - (b) 26 – 33 ()
 - (C) 34 – 41 ()
 - (d) 42 – 49 ()
 - (e) Above 49 ()

2. Marital Status
 - (a) Single ()
 - (b) Married ()
 - (c) Divorced/Separated ()
 - (d) Widowed ()

3. What is you educational level?
 - (a) No formal schooling ()
 - (b) Standard 1 – v ()
 - (c) Standard VII ()
 - (d) Secondary school ()
 - (e) College ()

4. What is you family size?
 - (a) 1 – 3 ()
 - (b) 4 – 6 ()
 - (c) 7 – 9 ()
 - (d) Above 9 ()

5. What income category from your activities do you belong to? (Tsh per annum)
 - (a) Less than 100,000/= ()
 - (b) 100,000 – 300-000/= ()
 - (c) Above 300,000/= ()

6. What is the major source of your income (tick?)
- (a) Salary / wages ()
 - (b) Off farm activities ()
 - (c) Farming ()
 - (d) Others (specify) ()
7. Who is the major income earner in your family?
- (a) Yourself ()
 - (b) Husband ()
 - (c) Other (specify) ()
8. Who control your income?
- (a) Yourself ()
 - (b) Your husband ()
 - (c) A member of a family (specify) ()
9. If you are not controlling you own income, why it happens so?

INFORMATION ABOUT WOMEN’S SAVINGS AND CREDIT GROUPS.

10. Are you aware of the existence of women’s savings and credit groups in the village?
- (a) Yes ()
 - (b) No ()
11. If yes, why are you not a member of any group?

12. Would you like to join a savings and credit group?
- (a) Yes ()
 - (b) No ()
13. If Yes, why?
14. If no, why not?.....

15. Do you think you can get any benefit by becoming a savings and credit group member?

- (a) Yes ()
- (b) No ()

16. If yes, which benefits?

- (a)
- (b)
- (c)
- (d)

20. If no, why not?

21. What is your pinion on women's savings and credit groups?

- (a).....
- (b).....
- (c).....

22. What do you do with the profit you get from your income generating activities?

23. Have you ever receive any training on how to operate your business (es)?

- (a) Yes ()
- (b) No ()

24. If the answer is Yes: -

- (a) Where?
- (b) For how long?
- (c) What was the training about?

25. If no, how did you acquire the skills of managing you activities?

.....
.....

THANK YOU FOR YOUR COOPERATION

Appendix III: Savings and credit officials' questionnaire

- 1. Please may I know you official title?.....
- 2. How long have been with this office at this title?years
- 3. When did the scheme for women savings and credit start?
- 4. When was the credit started to be offered to women groups in East Arumeru?.....
- 5. Please can we know the amount of the advanced loan given to the group in Tshs?....
- 6. What the total number of beneficiaries in East Arumeru district so far?.....
- 7. To what extent has the scheme succeeded in these four wards?

Excellent = or >75%
 Very good = 70%- 74%
 Good = 60%- 69%
 Fair = 50% - 59%
 Failure < 50%

- 8. On what factor is this range of ratio based?

Loan repayment ()
 Improved income ()
 All total beneficiaries ()
 Beneficiaries' growth records ()
 Current loan holders ()
 Other (specify)

- 9. How long will the scheme take?

- 10. Is there any involved action or penalty for those failing to repay their loans in time?

YES ()

NO ()

- 11. If YES, mention them

a)
 b)

- 12.If No Why?

- 13.What are your suggestions in relation to the scheme?.....

.....

THANK YOU FOR YOUR GOOD CO- OPERATION.

SPE
 HG 2156
 T34
 M6