

**THE ROLE OF MICROFINANCE INSTITUTIONS ON THE ECONOMIC  
EMPOWERMENT OF THE RURAL WOMEN IN IBAKARA COMMUNITY,KORO-  
SUB COUNTY ,GULU DISTRICT ,UGANDA.**

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**BY**

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**A RSEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
AWARD OF BACHELOR IN BUSINESS ADMINISTRATION FROM KAMPALA  
INTERNATIONAL UNIVERSITY**

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## DECLARATION

I, **OKELLO OKELLO** , solemnly declare that the content of this research paper is my original piece of work and that it has never been presented to any other institution or university for any award , so I would like to present it for an award of degree in Business Administration Studies of Kampala International University.

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### APPROVAL

This research study on “the role of microfinance institutions on the economic empowerment of the rural women in Ibakara Community, Koro-sub County, Gulu district, Uganda” was done by Okello Okello in the partial fulfillment of the requirements for the award of degree in Business Administration has been carried under my supervision is now ready for presentation to Kampala International University with my approval.

SUPERVISOR                      OGWENG JACOB JAMES.

SIGNATURE



DATE



## **DEDICATION**

**I dedicate this study to my beloved late Mother Alice Norah who has tried her best to ensure my success. May her soul rest in peace. Amen**

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## ACKNOWLEDGEMENT

The study passed through many process and at each stage of development, many people contributed to its achievement and therefore I would like to acknowledge the following key personalities.

The university supervisor that is .Mr. Ogweng Jacob James who offered their technical support supervision and tirelessly guided me during the study till the end leading to its success.

Special thanks also go to all the staffs of Koro Sub County for example the LCIII the Community Development Officer, The sub county chief for allowing me conduct my study from there (data collection) and all the respondents who contributed by giving information required for the study.

More thanks also go to friends who played a big role towards this piece of work through offering their guidance and help to me during the study for example Aboko Mark Apollo

Special thanks also go to my relatives who also played a key role in ensuring its success by supporting me financially like Okello Geoffrey who played a big role in ensuring that study was a success.

## LIST OF ACRONYMS

CVI= Content validity index

NGO`S= Non- Governmental Organization

SPSS= Statistical Packages for Social Sciences

UBOS= Uganda Bureau of Statistic

KIU= Kampala International University

ILO=International Labour Organization

USE= Uganda Small Enterprise

UNDP= United Nation Development Program



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## ABSTRACT

The study investigated the role of FINCA microfinance institutions on the economic empowerment of the rural women in Ibakara community, Koro sub-county, Gulu, Uganda. The study objective were to, ~~find out whether the rural women in Ibakara community have access to FINCA microfinance~~ institution services/ activities, to find out the level of benefits/ satisfaction from FINCA microfinance institution among members of Ibakara community, to determine whether there is insignificant relationship between FINCA microfinance institution activities and the economic empowerment of the rural women in Ibakara community.

It was hypothesized that there is significant relationship between FINCA microfinance institution services/activities and economic empowerment of the rural women in Ibakara community.

The study used descriptive research design with qualitative and quantitative methods of data analysis. The study used sample of 100 respondents, and random sampling technique was used to sample the respondents of the study. The findings were analyzed using descriptive statistics. The findings on demographic characteristics of the respondents revealed that there were variations in the respondent's sex, age, occupation, marital status, educational level. The variation affected and influenced individual perception on the role of microfinance institution on the economic empowerment of the rural women in Ibakara community, Koro sub-county, Gulu, Uganda as the respondents provided varied opinions on the topic. The analysis of the study findings bears in mind the influence of the respondent's background.

The findings on the objective one revealed that 46% of the respondent agreed with the statement, 35.0% disagreed with the view, 19% was undecided. Results on the objective indicated that rural women in Ibakara community have access to FINCA microfinance institution services/ activities, objective two revealed high level of benefits/ satisfaction from FINCA microfinance institution among members of Ibakara community as 59% of the respondents agreed with the statement, 26% disagreed, 15% were undecided, finding on objective three revealed that there is insignificant relationship between FINCA microfinance institution activities and the economic empowerment of the rural women in Ibakara community as 54.8% of the respondents agreed with the statement, 29.8 disagreed with the statement while 15.4% .

The last objective shows correlation on relationship between FINCA microfinance institution activities and the economic empowerment of the rural women in Ibakara community. This results shows that the FINCA microfinance and economic empowerment of the rural women had p value of 0.00 on the microfinance and economic empowerment of women and r value of .072. The alpha significant level was 0.001. since the P value is less than the alpha value; the researcher had taken the alternative hypothesis that there is significant relationship between FINCA microfinance institutions and economic empowerment of women .and since r value is greater than 0.5 then there was strong relationship between FINCA microfinance and economic empowerment of women in Ibakara community.

The recommendation of the study were; the government and non-governmental organization should extent the microfinance services to all the women in the area as some of the women in the area have not got opportunity to microfinance institution services so that all of them are empowered.

Microfinance campaign should be done by all stakeholders , all community leaders ,microfinance members and all the women groups in the community to creates a awareness among women and other community members who have little knowledge and idea about microfinance services and it's benefits to them.

Report should be made yearly or quarterly or mid-yearly to reflect the performance of those already enrolled in the program and program outlined to motivate those already participating and challenging those who are ineffective.

The official of FINCA microfinance institution should organized for members / nonmembers forums, workshops, field work and study tours that will enable them to interact and awards given periodically to the most active participants in the group.



## CHAPTER ONE

### BACKGROUND OF THE STUDY

Microfinance institutions are part of an exciting evolution in which individuals in poor rural, developing countries can get small loans to start their business (Charles, 2000). In developing region women permanently head quarter to a half of the households. According to the report that was published out by food and agricultural organization (FAO 2003), women get 10% of the world income and yet own less than 10%. In addition to this FAO established that most of the rural women in Africa are bound to house activities such as caring for children, doing domestic works like cooking, digging, and weeding instead of involving themselves in to business that could improve the standard of living in the community that they are living.

ring a microfinance workshop held in Kolping hotel in Hoima Uganda addressed by Bategeka on the<sup>h</sup> July 2011, it was noted that despite many microfinance institutions willingness to empower women h loans and give them knowledge in order to enable them begin business, very few take the initiative use the microfinance loans.(Minister finance 2012). However ,according to Uganda investment :hority (UIA) Report of 2008, most rural women who have already taken up the initiative and are ling to startup business normally fails to sustain them forcing them to collapse before reaching their t anniversary . Despite the availability of microfinance institutions in Ibakara Community, the number women around the community has not yet taken the opportunity of starting up the business, mpting the researcher to carry out the research against the reason to determine the effectiveness of rofinance institutions on the economic empowerment of the rural women in Ibakara community, ro Su b-County, Gulu District, Uganda.

### PROBLEM STATEMENT

e in many other rural communities, most women depend on credit facilities from financial titutions around them for economic empowerment. But in Ibakara Community, it has been served that rural women are less empowered economically despite them being surrounded a number of microfinance institutions, it is not known whether the cause of this could be the vices of these institutions in as far as promoting rural women empowerment is concerned. is always even, then a common claim that where banks/microfinance have loaned neficiaries, they are made to become poorer because of the loan conditions.

## **THE PURPOSE OF THE STUDY.**

The purpose of this study was to determine the effectiveness of the microfinance institutions on the economic empowerment of the rural women in Ibakara Community, Koro Sub-County, Gulu District Uganda.

## **RESEARCH OBJECTIVES.**

1. To find out whether the rural women in Ibakara Community get access to FINCA microfinance institutions.

2. To find out the profit and the level of satisfaction enjoyed from Micro Finance institution services among the members of Ibakara Community.

3. To find out to what extent microfinance institutions have played a significant role in saving among women in Ibakara Community.

4. To find out whether there is any significant relationship between microfinance activities and economic empowerment of the rural women in Ibakara Community.

## **4 RESEARCH QUESTIONS**

1. Do rural women in Ibakara get access to microfinance institutions?

2. How have they benefited from the microfinance institutions?

3. To what extent has microfinance institutions played a role in saving among women in Ibakara Community?

4. Is there any significant relationship between the microfinance activities and economic empowerment of the rural women in Ibakara?

## THE SCOPE OF THE STUDY

The study was carried out in Ibakara Community, Koro Sub-County, Gulu district in the northern part of Uganda.

Ibakara Community is located south- east of Gulu municipality 366kms from the capital city of Uganda and it covers an area of about 5kms ,the area has a population of 10,243 people with 12 female,2007 males, and 5224 children .

The study assessed the role of microfinance institutions on the economic empowerment of the rural women in Ibakara by applying both the qualitative and quantitative respectively.

## SIGNIFICANCE OF THE STUDY

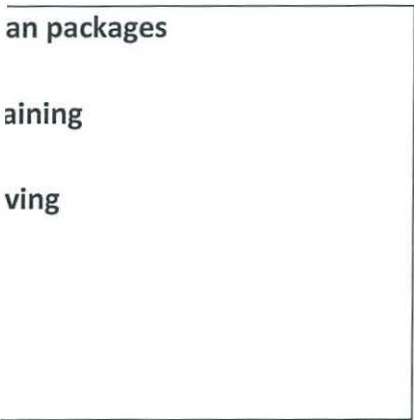
This has helped the researcher to understand and improve on his knowledge on microfinance institutions and its benefits to rural women.

The study has disclosed the reasons why microfinance institutions around Ibakara Community are failing to empower women.

The findings have helped the microfinance institutions to know to what extent they have empowered women in Ibakara Community.

The study has been used by management of the microfinance institutions to establish measures on how services can be easily access by rural women of Ibakara Community.

## 1.7 CONCEPTUAL FRAMEWORK





<p>empowerment of rural women</p> <p>Disposable income</p> <p>Investment</p>
--

## OPERATIONAL DEFINATIONS

**Microfinance** – This is an institution that offers small loan packages and saving to women at Ibakara Community.

**Economic empowerment** – this refers to the process of enabling women of Ibakara Community think, behave , take action and control work in their destiny.

**Disposable income** –money that is ready to be spent by women of Ibakara Community at their own will.

**Investment**- this is the money injected on projects expecting a return or reward from it.

**Training awareness** – this is the services provided by the microfinance to educate rural women how to manage their resources.

**Services** – are the services in which Ibakara Community microfinance offers towards women empowerment.

**Women**- these are Koro Ibakara female sex of age eighteen and above.

**Population**- this is the total number of women in Ibakara Community and the senior microfinance employees, village microcredit and community development bank.

## 9 LIMITATIONS OF THE STUDY

The researcher has faced the challenges of language barrier. In this regard the researcher handled it by getting a translator who interpreted the English to Luo for those who cannot speak English.

The researcher has also faced the problem of some respondent not willing to give out information about them and their community. For this case the researcher assured them about the confidentiality of the information that they gave out in the questioners.



## CHAPTER TWO

### 2.0 LITERATURE REVIEW

#### INTRODUCTION

Chapter one of the studies was on the background, statement of the problem, research objectives, research questions, and the scope of the study, significance of the study, conceptual framework, operational definitions and limitation of the study.

In this chapter is presenting the views of different scholars on FINCA microfinance institutions in relation to the topic being studied.

#### 1 SERVICES OF MICROFINANCE

A survey of 60 microfinance institutions by Cheston and Kuhn (2000) found strong evidence that microfinance institutions contribute to women's empowerment; one consistent finding was increased self Confidence, and self-esteem and women's increased participation in decision making. Women's empowerment project in Nepal, for example, showed 68% of women experienced an increase in their decision making role in the areas of family planning, children's marriage, buying and selling property, and sending their children to school (Woller, 2001). Other studies found that the combination of education and credit put women in stronger position to ensure more equal access for female children to food, schooling and medical care (Srinivas S, 2004).

In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality since women are the vulnerable section of society and they constitute a sizeable segment of the poverty stuck population (Ackerley, 2005)

## ! Training

survey made by UNDP (2003) found that most micro finance institutions should be cost-effective in bringing about the empowerment of women, through the following activities.

Investing in women's general education and literacy, providing guidance in balancing family and work responsibilities, providing a forum for dialogue on social and political issues, such as, women's right and community problem and giving women experience in decision making, promoting women's ownership, control and participatory rate and the rising. Influence of donor lobbies within donor agencies and NGOS led to increasing emphasis on targeting women micro-finance (UNDP, 2003)

According to Magyezi (2004) advocate that, in many cases basic business skill training should accompany the provision of microloan from micro-finance institution to improve the capacity of women's training mainly on capital investment, decision, general business management and risk management which therefore help in allocation of more resources to generate more product of high quality at low production cost thus increase sales volume, high profits invested for further expansion and empowerment of women.

According to Hishingsuren (2007) some of microfinance institutions provide non-financial services such as training, business advice, market assistance and counseling to their clients. It is from this standing that, MFIs are seen to be a critical element to the women's empowerment in developing economies because their services target the clients who have been excluded from other formal institutions.

Winn (2002) said that microfinance clients who attend training provided by MFIs attain skills and techniques to develop a variety of ideas in the creation of new and modified products.

Although the banking sectors (MFI) in the largest and most important sources of external financing for women empowerment, it is believed to be under saving the needs of women. Therefore women microfinance can not only achieve growth and expansion through loan and training offered by microfinance institution but can also rely proportionally more on non-bank sources of financing such as internal funds like retained earnings, family network (Hulme, 2007)



## LOAN

Bank of Uganda report (2002) showed that , the formal banking institutions have been serving only the needs of the commercial sector and providing loans for middle and upper income groups and these banks failed to extend their services to informal sectors and low income earners due to non-availability of collateral for the banks to use in case of default , it is against this background that microfinance was introduced as a way of providing uncollateralized loans to borrowers who have no constant income.

O, 2002) claimed that “financial market tends to discriminate against people who need smaller transactions.

Wallerstein, (2000) in his book banking in Ghana ‘viewed microfinance as provision of financial services in the form of saving and loan to low income earners. Microfinance institution can be said to be institutions established to provide assistance to the economically active poor , especially women whose control of the modest increases of income saving is assumed to empower them to improve the conditions of life for themselves and their children (Wallerstein 2001).

According to ( Mayoux 2000), gender lobbies have been able to argue for targeting women on the grounds of high female repayment rate and contribution of women’s economic activities to economic growth, it’s assumed that increasing women’s access to microfinance services will in itself lead to individual economic empowerment Well-being and social, political empowerment.

Uganda enterprises (20013) report showed that credit for empowerment is organizing people , revolving around credit and their perception is that of learning to manage money and rotate funds building women capacities plus confidence to intervene in local governance beyond the limited goals of ensuring access to credit facilities . Further, it combines the goals of financial sustainability with that of creating community owned institutions.

## 4 Saving

According to Santhanam (2006) micro-finance services enable women to exploit the available resources for women empowerment formation and development , and to develop new product

services and coming out with new business ideas thus adding values while maximizing profit. The provision of saving facilities or transaction bank account enable women to store their money in a secure place due to favorable interest earned on saving and allow this money to be put to productive use (lend to individual women groups) to financial investment thus generating more profit and ending up empowering the women.

In addition to that Katwalo (2007) agrees that saving exist in many areas around the world where microfinance clients are required to save a minimum amount each week or other set up period of time which helps the microfinance institutions to have additional information about the clients and also helps clients or women to accumulate additional capital which can be invested in the business thus raising profit which is used for expansion of business.

Saving is a program designed to encourage saving through small but regular deposit or automatic deduction from salaries or wages. Saving has become beacon of hope to women empowerment, MFIs grants loans to members at reasonable rates of interest in time of needs. The lent money helps in women in expanding their business and increasing sales volume and their level of income. (Cornford, 2004).

According to Magyezi (2004) saving acts as collateral security for the savers to acquire both short and long term loan to meet their financial needs and improved their overall quality of the business.

Microfinance institution enables women to develop their business which enhance their performance in growth, sales volume and profitability (Bastelear, 2003).

The existent of MFIs enable the potential clients to access loans, training and savings mobilization which give the clients the opportunity to support their enterprises (Cornford, 2004).

Mondhawa and Gallardo,(2004) used a unique panel data set from northern Bangladesh with monthly sales volume and profitability for 229 enterprises before they received loans. They find that while micro-credit is successfully reaching the business women it is less successfully in reaching those with less entrepreneurship skills. In their report, they said that dept is not

effective tools for helping most women business to enhance their performance and that most of women business are profitable due to other reasons rather than micro-finance services.

**IDENTIFIED GAPS**

Most of these authors based their research findings in urban dwellers neglecting rural women they have access to microfinance institutions.

Authors like Cheston and Kuhn, Woller, (2000) found evidence that women have economically been empowered through micro loan leaving the fact that there are women who borrow from microfinance X to clear microfinance Y.

Most authors looked at women benefiting from microfinance economically yet some women instead of running their own, they end up investing in their husbands ongoing activities related to the low profit where they have no financial control.



### **3.0 CHAPTER THREE**

Chapter three has entailed the framework or guideline that was used in the study. It has given details, about procedure to be followed to realize the research objectives. It includes the analysis, sample size, sampling technique, instrumentation, as well as data analysis, sampling procedure among others.

#### **1. STUDY AREA**

This study was conducted in, Ibakara community which is located in Ibakara Parish Koro Sub-county in Gulu district. It is located 366 km from Kampala the capital city of Uganda; it is bordering Gulu municipality in the south-east. The area has the total population of 10,243 out of which 3012 are female, 2007 male, and 5224 children.

#### **2. RESEARCH DESIGN**

The study used descriptive research design because it involves both qualitative and quantitative research methods that explained the research objectives. This has enabled the researcher to collect information, which was first hand using different methods like questionnaires and interviews. The study was qualitative in that it involved respondent's views, opinions and feelings. Quantitative research which involved the collection of numerical data in order to explain, predicts, and controls the subject under study. This design made it possible to group and analyze the opinion of respondent.

#### **3. STUDY POPULATION**

According to the Uganda bureau of statistics (UBOS), (2008) the area had a population of 10,243 people with 3012 female, 2007 males and 5224 children.

#### **4. TARGET POPULATION**

The target population of the study were women of ages brackets from 18 and above who are members of Ibakara community, a village microcredit and community development microfinance institutions in Ibakara community with their employees.



## SAMPLING SIZE

a sample size being determined using mathematical formula suggested by Newman's (2000) who states that when the population is around 1000, 30% of the target population will be used

30

100

=243

despite 243 respondents, the

researcher decided to use a sample of 100 respondents with in consultation with the supervisor.

## SAMPLING PROCEDURE

The researcher used simple random sampling procedure to select a sample of 100 respondents who were women from Ibakara community that were above 18 years old in order to collect the right information. And it was based on random selection that ensures that each individual were given equal opportunities of being included in the sample. This kind of sampling procedure avoids biasness and ensures proportional representation.

## INSTRUMENTS/METHOD OF DATA COLLECTION

The researcher developed structured questionnaires with closed and open ended questions that were approved by the supervisor. The questionnaire was self-administered and also was in the form of interviews schedule with prospective respondents. These instruments of research was divided in to three sections A, B and C. Section A deal with a bio-data on issues such as sex, age, marital status, education level, and occupation. B comprise of variables resulting to the study of the role of microfinance institutions on the economic empowerment of rural women in Ibakara community was being based on three point liker scale. Accept 1, disagree 2, undecided 1. Section C explained the respondents own suggestions and opinions.

10.1 PRE-TEST

The researcher carried out a pre-test on the research instrument to determine its validity and reliability. This was carried out on 18 randomly selected respondents categorically from Minoluka community in Lakwana division which had the same characteristics as Ibakara community.

10.2 RELIABILITY AND VALIDITY

Reliability refers to the degree of consistency and precision of the data collection instrument, and a statistical package of social science research (SPSS) used to ascertain this. Validity is the degree obtained with variable under study.

The researcher calculated the content validity index (CVI) using the formula below:

$$CVI = \frac{\text{total number of relevant items}}{\text{Total number of items}}$$

The researcher only took a minimum content validity index of 0.7 to ensure that research instrument was valid.

10.2 Data collection procedure

The researcher got an official introduction letter from the school of business at Kampala International University. The authorizing letter introducing the researcher as a student of KIU from the department of business administration. The researcher then gained the permission to do the research in the area through the endorsement of the introductory letter by the sub county chief which gave the researcher go ahead. Finally the researcher ensured the confidentiality of the respondent's by not putting their names in the questionnaires. Questionnaires were then distributed to the respondents who were then given ample time to complete the questionnaires.

The completed questionnaires were then coded and made ready for analysis.

## 1.1 DATA PROCESSING AND ANALYSIS

is involved the transformation of information that was collected through conversion and reduction of information collected to a form that can statistically be calculated and was analyzed SPSS. Below are the processes.

**Data categorization:** Here the data collected grouped in accordance with the signs allotted to each particular subject that was studied.

**Coding:** This process involves extensive reading through the data collected through questionnaires to make corrections on mistakes of the respondents after answering the questionnaires for verification purpose.

**Labeling:** This involves putting tags, assigning names and labels against data that was collected and this was in line with the research variables for eventual data analysis.

**Tabulation:** This involved presentation of collected data in to tables, using percentages and frequencies so as to ensure organized and systematic presentation of data.



#### 4.0 CHAPTER IV:

##### 5 DATA

This chapter gives the findings on the role of microfinance institution in the economic empowerment of Ibadan women. This chapter is also guided by the three objectives which were set for better accomplishment of research project as seen in chapter one of this study.

##### 5.1 INDIVIDUAL VARIABLE

In this section the outstanding features that emerged from the analysis of the study are presented. The study investigated the respondent's demographic characteristics of sex, age, education level, marital status, occupation. The aim was to find out whether there were variations in the respondent's background and whether these had control on their views. The findings are presented in this sub-section of the report.

Table 1; sex of the respondents

	frequency	percent
female	0	0
male	100	100
total	100	100

The table above shows the frequencies and the percentages on the gender respondents, 0.0% as female and 100% were male respondents. This means that all of the respondents were male as targeted groups were women only in this study.

Table 2: age of the respondents

	frequency	percentages
13-26	9	9.0

-34	18	18.0
-42	32	32.0
-50	26	26
-above	15	15.0
al	100	100.0

The table above shows the age of the respondents 9% represented the age bracket of 18-26, 18% represented the age bracket of 27-34, 32% represented the age bracket of 35-42 years old, 26% represented the age bracket of 43-50 years, while 15% represented the age bracket of 50 and above years old. The finding shows that the age bracket of 35-42 had the highest number of respondents with 32.0%.

**Table 3: marital status of the respondents**

	frequency	percent
single	38	38.0
married	44	44.0
divorced	10	10.0
widowed	8	8.0
total	100	100.0

The table above shows the marital status of the respondents 31% represented the single, 44% represented the married, 10% represented those who have divorced, 8% represented widowed. The findings show that the married women had the highest number of the respondents with 44.0%.

**Table 4: Shows occupation of the respondents.**

	frequency	percent
employed	48	48.0
lf-employed	40	40.0
mployed	12	12.0
total	100	100.0

ie table above shows the occupation of the respondents, 48% represented unemployed, 40% presented self-employed while 12% represented employed. The finding shows that unemployment has the highest number of the respondent with 48%.

ie table 5: Education level

	frequency	percent
ever attended school	9	9.0
primary dropout	40	40.0
secondary education	30	30.0
ollages/university	21	21.0

ne table above shows the education level of the respondents 9% represented never attended school, 40% represented primary dropout, 30% represented secondary education, and 21% represented those who have completed collages / university. The findings indicated that primary dropout had the highest number of the respondents 40%.



THE FOLLOWINGS ARE THE ANALYSIS UNDER THE INDIVIDUAL VARIABLE FOR EACH QUESTIONERS IN FORM OF TABLES

**Table 1: have you ever applied for loan facilities in FINCA micro finance institution**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	52	52	52	52
2	34	34	34	86
3	14	14	14	100
Total	100	100	100	

Table 1; Shows the finding under the variable have you ever applied for loan facilities in FINCA micro finance institution indicating that 52% of the respondents agreed with the statement , 34% disagreed with the statement, 14% was undecided. which revealed that majority of the respondents have applied for the micro finance loan as 52% agreed but a lot has to be done to change the mind of the remaining women that have not yet got access to microfinance loan and those who do not know any think about microfinance services.

**Table 2: have you ever been responded to by this FINCA microfinance institution?**

	frequency	Percent	Valid percent	Cumulative percent
Valid 1	42	42	42	42
2	34	34	34	76
3	24	24	24	100
Total	100	100	100	

Table 2: Shows the variable under have you ever been responded to by this FINCA microfinance institution? Indicating that 42% of the respondents agreed with the statement, 34% disagreed with the view while 24% of the respondents were undecided about the view. This finding means that there is a lot to be done to improve on the microfinance institution among the women of Ibakara if

they are to be empowered as only 42% agreed that they are responded by FINCA microfinance institution and 58% of women disagreed and some of them did not know anything about it hence calling for intervention.

**have you ever been facilitated /granted your request by FINCA microfinance institution?**

	frequency	Percent	Valid percent	Cumulative percent
Valid 1	56	56	56	56
2	25	25	25	81
3	19	19	19	100
Total	100	100	100	

Table 3: shows variable under have you ever been facilitated /granted your request by FINCA microfinance institution, indicating that 56% of the respondents agreed with the statement, 25% disagreed while 19% of the respondents were undecided which is a sign that there some level of microfinance loan being given to women and they are being empowered as 56% supported the idea compared to only 25% of the women who rejected the view. Although some think has to be done to bring the remaining percentage on board and awareness should be done as 19% of them are not aware of the project.

**Do you frequently have access to this microfinance institution?**

	frequency	Percent	Valid percent	Cumulative percent
Valid 1	49	49	49	49
2	37	37	37	85
3	15	15	15	100
Total	100	100	100	

Table 4: shows the variable under Do you frequently have access to this microfinance institution, indicating that 49% of the respondents agreed with the statement, 37% disagreed with the view while 15% of the respondents were undecided about the view. This finding means that there is a lot to be done to improve on the microfinance institution among the women of Ibakara women if they are to be empowered as only 49% agreed that they are responded by FINCA microfinance institution and 51% of women disagreed and some of them did not know anything about it hence calling for intervention.



**Do you frequently receive loan facilities from this FINCA microfinance institution?**

	frequency	percent	Valid percent	Cumulative percent
Valid 1	32	32	32	32
2	45	45	45	45
3	23	23	23	100
Total	100	100	100	

Table 5: shows the variable under Do you frequently receive loan facilities from this FINCA microfinance institution? Which indicates that 32% of the respondents agreed with the statement, 45% disagreed with the view while 23% of the respondents were undecided about the view? this finding means that there is a lot to be done to improve on the microfinance institution among the women of Nakara women if they are to be empowered as only 32% agreed that they are responded by FINCA microfinance institution and 45% of women disagreed with the statement which is a very big challenge and some of them did not know anything about it hence calling for immediate intervention.

**Are there any profits you receive from this FINCA microfinance institution?**

	frequency	percent	Valid percent	Cumulative percent
Valid 1	51	51	51	51
2	29	29	29	80
3	20	20	20	100
Total	100	100	100	

Table 6: shows variable under Are there any profits you receive from this FINCA microfinance institution? indicating that 51% of the respondents agreed with the statement, 29% disagreed while 20% of the respondents were undecided which is a sign that there some level of microfinance loan being given to women and they are being empowered as 56% supported the idea compared to only 29% of the women who rejected the view. Although something has to be done to bring the remaining percentage on board and awareness should be done as 20% of them are not aware of the project.

### Are these profits frequent to the members?

	frequency	Percent	Valid percent	Cumulative percent
Valid 1	66	66	66	66
2	22	22	22	88
3	12	12	12	100
Total	100	100	100	

Table 7: Shows variable under Are these profits frequent to the members? indicating that 66% of the respondents agreed with the statement, 22% disagreed while 12% of the respondents were undecided which is a good implication that profits are frequently realized by the women of Ibadakara community out of the microfinance loan being given to them and they are being empowered as 66% supported the idea compared to only 22% of the women who rejected the view and we do encourage them to continue with that spirit and aim higher than that. Making the findings positive.

### Are these profits satisfactory to the members?

	Frequency	Percent	Valid percent	Cumulative percent
Valid 1	60	60	60	60
2	27	27	27	87
3	13	13	13	100
Total	100	100	100	

Table 8: Shows variable under Are these profits satisfactory to the members? indicating that 60% of the respondent agreed with the statement, 27% disagreed while 13% of the respondents were undecided which is a good indicator that majority of the women are satisfied with the profits they get out of the microfinance loan being given to them and they are being empowered as 60% supported the idea compared to only 27% of the women who rejected the view and we do encourage them to continue with that spirit and aim higher than that hence making the findings positive.

### Do you think FINCA microfinance institution activities have significantly helped the Ibadakara women?



	Frequency	percent	Valid percent	Cumulative percent
Valid 1	39	39	39	39
2	46	46	36	85
3	15	15	15	100
Total	100	100	100	

Table 9: shows the variable under Do you think FINCA microfinance institution activities have helped the Ibakara women? Which indicates that 39% of the respondents agreed with the statement, 46% disagreed with the view while 15% of the respondents were undecided about the view? this finding indicates that there is a lot to be done to improve on the microfinance institution among the women of Ibakara women if they are to be empowered as only 46% agreed that FINCA microfinance institution activities have helped the Ibakara women and 45% of women disagreed with the statement which is a very big challenge and some of them did not know anything about it hence calling for immediate intervention.

**Do you think these activities have improved the economic position of the Ibakara women?**

	frequency	percent	Valid percent	Cumulative percent
Valid 1	54	54	54	54
2	28	28	28	82
3	18	18	18	100
Total	100	100	100	

Table 10: shows variable under Do you think these activities have improved the economic position of the Ibakara women? indicating that 54% of the respondent agreed with the statement, 28% disagreed while 18% of the respondents were undecided which is a good indicator that the activities have improved the economic position of the Ibakara women and they are being empowered as 54% supported the idea compared to only 27% of the women who rejected the view and we do encourage them to continue with that spirit and aim higher than that hence making the findings positive although there is need for community awareness about the program as some of the members are not informed.

**Do you think these activities are the one responsible for the improve economic position of Ibakara women?**

	frequency	Percent	Valid percent	Cumulative percent
Valid 1	43	43	43	43
2	41	41	41	84
3	16	16	16	100
Total	100	100	100	

able 11: shows variable under Do you think these activities are the one responsible for the improve conomic position of Ibakara women? indicating that 43% of the respondent agreed with the tatement, 41% disagreed while 16% of the respondents were undecided which is a fair indicator at the activities are responsible for improved economic position of the Ibakara women and they re being empowered as 43% supported the idea compared to only 41% of the women who ejected the view and we do encourage them to do a lot to improve on their economic mpowerment through microfinance loan and hence making the findings moderate although there s need for community awareness about the program as some of the members are not inform .

**Do you think these microfinance financial institution activities have to a greater extent empowered the Ibakara women?**

	frequency	percent	Valid percent	Cumulative percent
Valid 1	70	70	70	70
2	17	17	17	87
3	13	13	13	100
Total	100	100	100	

able 12: shows variable under Do you think these microfinance finance institutions activities have to a reater extent empowered the Ibakara women? indicating that 70% of the respondents agreed with ie statement, 17% disagreed while 13% of the respondents were undecided which is a good idicator that the microfinance activities have to a greater extent empowered the Ibakara women s 70% supported the idea compared to only 17% of the women who rejected the view and we do ncourage them to continue with that spirit and aim higher than that hence making the findings ositive.

**Do you think the activities of FINCA microfinance institution crucial in the conomic empowerment of Ibakara community?**



	frequency	percent	Valid percent	Cumulative percent
Valid 1	68	68	68	70
2	17	19	19	87
3	13	13	13	100
Total	100	100	100	

Table 13: shows the variable under Do you think the activities of FINCA microfinance institution crucial in the economic empowerment of Ibakara community? indicating that 68% of the respondents agreed with the statement, 19% disagreed while 13% of the respondents were undecided which is a good indicator that the microfinance activities have to a greater extent empowered the Ibakara women as 68% supported the idea compared to only 19% of the women who rejected the view and we do encourage them to continue with that spirit and aim higher than that hence making the findings positive.

### DISCUSSION

According to the Cheston and Kuhn (2000) and Survey made by UNDP (2003) it's evidence that the rural women of Ibakara Community get access to the Micro financials and contribute to women empowerment but it should be realized that the policies failed to resolve the problem of gender inequality since women are the vulnerable section of society and they constitute a sizeable segment of the poverty struck population (Ackerley, 2005)

Manning (2000) put it clearly that with Micro Financial institutions which provide training to her client through training and skills to develop a variety of ideas in the creation of new and modified products. This revealed high level of benefits/satisfaction from FINCA Micro finance institution among members of Ibakara community as 59% of the respondents agreed with the statement, 26% disagreed, 15% were undecided.

According to Corford (2004), Bastelear (2003), Katwolo (2007), Magyezi (2004) all emphasizes the saving as a result of the Micro finance support to them. Most of the clients who had received funding from FINCA were reported to have good habit of saving.

Finding in objective three revealed that there is a significant relationship between FINCA Microfinance institution activities and the economic empowerment of the rural women in Ibakara. This is evidence by Uganda Enterprises (2013) report, Amin (2000), Bank of Uganda report (2000)

## 5.0 CHAPTER FIVE

### 5.1 SUMMARY AND RECOMENDATION

The chapter deals with conclusion and recommendations of the findings of the study on the role of microfinance in situation on economic development among the Ibakara women. To find out whether the rural women in Ibakara community have access to FINCA micro financial institution services/activities, to find out the level of benefits/satisfaction from FINCA microfinance institution among members of the Ibakara community , to determine whether there is an significant relationship between FINCA microfinance institution activities and the economic empowerment of rural women in Ibakara women.

The study used qualitative and quantitative research design. Sample of 100 respondents was used; simple random sampling technique was used in selecting the respondents of the study. The main tool for data collection was a questionnaire.

It was hypothesized that there is significant relationship between FINCA microfinance institution services/activities and economic empowerment of the rural women in Ibakara community.

The study used descriptive research design with qualitative and quantitative methods of data analysis. The study used sample of 100 respondents, random sampling technique was used to sample the respondents of the study. The findings were analyzed using descriptive statistics. The findings on demographic characteristics of the respondents revealed that there were variations in on the respondent's sex, age, occupation, marital status, educational level. The variation affected and influenced individual perception on the role of microfinance institution on the economic empowerment of the rural women in Ibakara community, Koro sub-county, Gulu, Uganda as the respondents provided varied opinions on the topic. The analysis of the study findings bears in mind the influence of the respondent's background.



**To find out whether rural women in Ibakara community have access to FINCA microfinance institution services/ activities.**

The findings on the objective one, revealed that 46% of the respondents agreed with the statement, 35.0% disagreed with the view, 19% was undecided. Results on the objective indicated that rural women in Ibakara community have access to FINCA microfinance institution services/ activities.

**To find out the level of benefits/ satisfaction from FINCA micro finance institution among members of Ibakara community.**

Objective two revealed high level of benefits/ satisfaction from FINCA microfinance institution among members of Ibakara community as 59% of the respondents agreed with the statement, 26% disagreed, 15% were undecided,

**To determine whether there is a significant relationship between FINCA microfinance institution activities and economic empowerment of rural women in Ibakara community**

Finding on objective three revealed that there is insignificant relationship between FINCA microfinance institution activities and the economic empowerment of the rural women in Ibakara community as 54.8% of the respondents agreed with the statement, 29.8 disagreed with the statement while 15.4%.

The last objective shows correlation on relationship between FINCA microfinance institution activities and the economic empowerment of the rural women in Ibakara community. This results shows that the FINCA microfinance and economic empowerment of the rural women had p value of 0.00 on the microfinance and economic empowerment of women and r value of .072. The alpha significant level was 0.001. since the P value is less than the alpha value, the researcher had taken the alternative hypothesis that there is significant relationship on FINCA microfinance on economic empowerment of women .and since r value is greater than 0.5 then there was strong relationship between FINCA microfinance and economic empowerment of women in Ibakara women.

## **5.2Conclusion**



There was strong relationship between FINCA microfinance institution services and economic empowerment of women in Ibakara community as the value was greater than +0.5. A microfinance institution service has empowered women and there for collective efforts should be made to improve it.

### **5.3 Recommendation:**

The recommendation of the study were; the government and non-governmental organization should extent the microfinance services to all the women in the area as some of the women in the area have not got opportunity to microfinance institution services so that all of them are empowered.

Microfinance campaign should be done by all stakeholders , all community leaders ,microfinance members and all the women groups in the community to creates an awareness among women and other community members who have little knowledge and idea about microfinance services and it's benefits to them.

Report should be made yearly or quarterly or mid-yearly to reflect the performance of those already enrolled in the program and program outlined to motivate those already participating and challenging those who are ineffective.

he official of FINCA microfinance institution should organized for members / nonmembers  
forums, workshops, field work and study tours that will enable them to interact and awards given  
periodically to the most active participants in the group.

#### 5.4 QUESTIONNAIRES

We are students of Kampala International University, School of Business pursuing Bachelor's degree in Business Administration undertaking research entitled "The role of microfinance institutions on the economic empowerment of rural women in Ibakara community, Koro Sub-county, Gulu District". The information in this questionnaire is intended to benefit the rural women of Ibakara community. The information given shall be used purely for the study purposes and shall be treated with strict confidentiality. We shall highly appreciate you for sacrificing your time to respond to our questions.

I kindly request you to read and answer the questions that best describes your own views, opinions and understanding.

##### SECTION A "BIO DATA (PERSONAL INFORMATION)

Tick one box which best suits your views and opinions

1. Sex: male ( ☐ ) female ( ☐ )
2. Age : 18-26 ( ☐ ) 27-34 ( ☐ ), 35-42 ( ☐ ), 43-50 ( ☐ ), 51- above ( ☐ )
3. Occupation : employed ( ☐ ), self-employed ( ☐ ), unemployed ( ☐ )
4. Marital status : single ( ☐ ), married ( ☐ ), widowed ( ☐ ), separated ( ☐ )
5. Education level: never attended school ( ☐ ), primary dropout ( ☐ ), secondary education ( ☐ ), collage/ university ( ☐ )

##### SECTION B

Tick one box which one best suit your views and opinions genuinely

To find out whether the rural women in Ibakara community have access to FINCA Micro financial Institution services/activities

(i) Have you ever applied for a loan service/facility in FINCA Micro Finance institution?

☐ Agreed

☐ Disagreed

☐ Undecided

(ii) Have you ever been responded to by this FINCA Micro finance Institution?

☐ Agreed

☐ Disagreed

☐ Undecided

(iii) Have you ever been facilitated /granted your request by FINCA Micro Finance stitution?

☐ Agreed

☐ Disagreed

☐ Undecided

(iv) Do you frequently have access to this FINCA Micro Finance Institution services?

☐ Agreed

☐ Disagreed

☐ Undecided

(v) Do you frequently receive loan facilities from this FINCA Micro Financial Institution?

☐ Agreed

☐ Disagreed

☐ Undecided

**SECTION C**

To find out the level of benefits /satisfaction from FINCA Micro Financial Institution among members of Ibakara Community

(vi) Are there any profits you receive from this FINCA Micro Financial Institution?

☐ Agreed

☐ Disagreed

☐ Undecided

(vii) Are these profits frequent to the members?

☐ Agreed

☐ Disagreed

☐ Undecided

(viii) Are these profits satisfactory to the members?



☐ Agreed

☐ Disagreed

☐ Undecided

## SECTION D

To determine whether there is any significant relationship between FINCA Micro Finance institution activities and the economic empowerment of rural women among Ibakara Community.

(ix) Do you think FINCA Micro Financial Institution activities have helped the Ibakara women Community?

☐ Agreed

☐ Disagreed

☐ Undecided

(x) Do you think these activities have improved the economic position of Ibakara women?

☐ Agreed

☐ Disagreed

☐ Undecided

(xi) Do you think these activities are the ones responsible for the improved economic position of Ibakara women?

☐ Agreed

☐ Disagreed

☐ Undecided

(xii) Do you think these Micro Financial Institution activities have to a greater extend empowered the Ibakara women?

☐ Agreed

☐ Disagreed

☐ Undecided

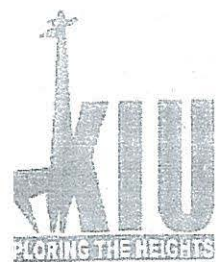
(xiii) Do you think the activities of FINCA Micro Finance institution crucial in the economic empowerment of Ibakara community?

☐ Agreed

☐ Disagreed

☐ Undecided

Thanks you for the time and thank you very much for answering these questions honestly.  
May God bless?



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**Date: 31<sup>st</sup> July, 2014**

**TO WHOM IT MAY CONCERN:**

**RE: OKELLO OKELLO**

This is to introduce and confirm to you that the above named person is a third year student at Kampala International University, Lira Study Centre; persuing Bachelor of Business Administration Registration BBA/36694/113/DU-LR and he is deployed in the field for research.

Therefore any assistance rendered to him during this research process is highly appreciated.

Thanks in Advance

Yours in service,

