

**MICROFINANCING AND WOMEN EMPOWERMENT IN  
DUTERIMBERE MUHANGA  
BRANCH, RWANDA**

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A Thesis  
Presented to the School of  
Postgraduate Studies and Research,  
Kampala International University  
Kampala, Uganda

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In Partial Fulfillment of the Requirements for the Award of Degree  
Master of Business Administration

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By:

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October, 2011

## DECLARATION A

"This thesis is my original work and has not been presented for a Degree or any other academic award in any University or Institution of Learning"

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28th/ Oct. / 2011.


Date

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## DECLARATION B

"I confirm that the work reported in this thesis was carried out by the candidate under my supervision".

  
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28-10-2011

Date

## APPROVAL SHEET

This thesis entitled "**Microfinancing and Women Empowerment in Duterimbere Muhanga Branch, Rwanda**" prepared and submitted by **KAGOYIRE EMILIENNE** in partial fulfillment of the requirements for the Degree of Master of Business Administration has been examined and approved by the panel on oral examination with a grade of PASSED

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## **DEDICATION**

This thesis is dedicated to my beloved brothers, sisters, and all those who prayed for me who always inspired me in every step to accomplish this study. Without their effort, the dreams of reaching this level would have been a nightmare. I am truly grateful.

May God bless you.

## **ACKNOWLEDGEMENT**

The researcher is grateful to the Almighty God for his blessing that have brought her this far.

It is a great honor for the researcher to work on the assigned topic and she feels glad to accomplish her task. Along with the researcher's sincerity and interest, there are few people, who really helped her to make this endeavor to be a successful one.

The researcher is grateful to the staff of the School of Post Graduate Studies and Research of Kampala International University, particularly MBA lecturers for all the invaluable guidance offered to the researcher during the course of study. Special thanks as well go to the Administration and clients of DUTERIMBERE Microfinance Institution who spared their time to give the researcher information that was required to complete the thesis.

The researcher would like to extend great thanks to the DVC SPGSR Dr. Novembrieta R. Sumil for her dedicated work in promoting education.

The researcher would like to pass her appreciation, gratitude and thanks to her Supervisor, Associate Prof. D.L.KIBIKYO PH.D. His valuable suggestions and ideas in every step of this work helped the researcher a lot to prepare this thesis.

The researcher would also like to appreciate the work of all the members of the viva vice panel of KIU specially Dr. Manuel Sumil, Mr. Malinga Ramadhan, Dr. Haruna Kabir and Dr. Ibrahim Yahya for all guidance and comments offered to her during the panel presentation.

Part of the most valuable and greatest thanks is extended to researcher's family members for their encouragement, help and support.

The researcher is very much grateful to her colleagues, classmates and friends who also contributed a lot in accomplishing this piece of work to be a successful one, especially, Ange, Joana, Mugabo, Aime, Philbert, Constantin, Anselme and Innocent for being true fellow students. The researcher is sincerely truly thankful to them.

May the Almighty God bless them.

## **ABSTRACT**

This research investigated the relationship between degree of micro-financing and extent of women empowerment in Duterimbere, Muhanga in Rwanda. Apart from the profile of respondents, the study investigated the degree of micro-financing, extent of women empowerment and lastly, the significant relationship between the two variables.

In the literature review, economic empowerment approach on women subordination to lack of economic power was used to draw a closer understanding into the study variables.

The researcher employed descriptive correlation design. The sample size for this study was 336 respondents from targeted women clients of 2105 and the sampling was done by the use of stratified random sampling. The study used self administered questionnaires as research instrument. The validity and reliability of study instruments were done through Content Validity Index. Data was analyzed in both qualitative and quantitatively using statistical techniques such as mean, standard deviation, correlation and regression matrix.

Findings indicated that degree of micro-financing in Duterimber, Muhanga in Rwanda is still at medium degree with overall mean of 3.09; the extent of women empowerment in the area of study is also still at medium level at overall mean value of 3.07. Additionally, findings indicate positive significant relationship between the study variables at ( $r = .776$ ,  $P < .010$ ) at .05 level of significance.

The study concluded that degree of micro-financing to women positively influences their empowerment socially, economically and politically most especially in their homes.

It was recommended that the different stakeholders such as the government, private sector and women organizations should work together in ensuring that sufficient lending is done to so as to uplift them in all spheres of life.

## **LIST OF ABBREVIATIONS**

CBO	:	Community Based Organisations
CGAP	:	Consultative Group to Assist the Poorest
DFID	:	Department for International Development
DG	:	Director Manager
EICV	:	Integral Survey on household conditions in Rwanda
GB	:	Grameem Bank
GDP	:	Gross Domestic Product
MA	:	Master of Arts
MDGs	:	Millennium Development Goals
MFIs	:	Micro Finance Institutions
MIFOTRA	:	Ministry of Public Service and Labour
MIGEPROFE	:	Ministère du Genre et de la Promotion de la femme
MINECOFIN	:	Ministry of Economy and Finance
NGOs	:	No Governmental Organizations
RMF	:	Rwanda Microfinance forum
SEWA	:	Self- Employed Women's Association
SMEs	:	Small and Medium Enterprises
SHGs	:	Self Help Groups
SWOT	:	Strengths, Weaknesses, Opportunities and Threats
UN	:	United Nations
UNDP	:	United Nations Development Programme
UNIFEM	:	United Nations Fund for Women
USAID	:	United States Agency for International Development

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## **CHAPTER ONE**

### **THE PROBLEM AND ITS SCOPE**

#### **Background of the study**

Micro finance institutions (MFI'S) in Rwanda began mainly as community based credit organizations funded by mainly Non-Governmental Organizations, (NGO'S). However, much prominence was gained after genocide. After the 1994 genocide, the economy of Rwanda was adversely affected in terms of production, human and social set up, thus exacerbating poverty as result many NGO's and government departments started to intervene by providing microfinance with a grant portion as a policy tool to enable rural and urban poor to increase output and productivity, income, and reduce poverty and attain food security. Hence it has shifted from the NGO sector and government from relief assistance to efforts sustainable development. It also depicts a new of identification of considerable levels of unrealized demand and achieves potential market growth for financial services (MiGEPROFE, 2004).

Prior to 1988, micro finance institutions that were operating lacked a forum as a basis to organize their activities. There was no particular regulation governing micro finance activities in particular, other than the general banking law that encompassed all financial institutions. It was until 1998 when some of the institutions engaged in providing microfinance services such as Catholic Relief Services, Word Relief, Duterimbere microfinance among others formed Rwanda Microfinance forum (RMF) to mainly harmonize the activities. The missions of RMF were to actively promote the development of micro finance in Rwanda through programs of research, advocacy, policy dialogue and information sharing. It was envisaged that RMF would disseminate readily understandable, transparent, and succinct information so as to further the micro finance field (World Bank, 1998).

Rwanda Micro finance Forum set two main goals: First was to encourage partnerships and cooperation in Rwanda among micro finance service providers, financiers and supporters in order to increase resources and peer learning in micro finance. Second was to lay the ground for further initiatives, including research and capacity building projects on the issues raised, to be undertaken by RMF on behalf of members (MIGEPROFE, 2004).

Membership to the forum was, however, voluntary resulting in many micro finance institutions opting not to join the forum. Decisions taken by the forum were not binding not even to members as the forum lacked the powers to reprimand the offenders. This weakened the forum and as a result the intended purpose(s) of RMF was not exploited to full potential, nonetheless, it served as a starting point for recognition of the existence of financial intervention to the lower run of the population that formal commercial banks are unwilling to serve (Rwanda microfinance strategy paper, 2006).

Reviewing micro finance involves evaluating it in term of whether it is a necessary strategy to poverty reduction and promoting of the women, and if it is also a sufficient weapon against poverty in Rwanda. Considering that the program operates on the footing of Grameen Bank system, it is perhaps the appropriate to consider a number of criticisms that have been leveled on the Grameen Bank Approach by some scholars (Minecofine, 2007).

Mayoux (1998) point out that making woman the principal breadwinners reinforces their previous state of exploitation by men. Given the women self sufficiency resulting from benefits of microfinance schemes, she argues increases women's responsibility which in turn encourages laxity in some men's contribution to family requirements.

The policy of financing the isolates their clients. This clearly points out only those that have micro-enterprises in operation. The poor of the very poor who have no startup capital are neglected by the program meaning that the effectiveness of the program to poverty alleviation is far from perfect. In other words, while micro finance programs are in principal regarded as a necessary strategy against poverty, its practical implementation will be, like most other financial schemes prone to imperfect targeting if it leaves some especially the very poor in the scheme (Sarah, 2003).

Putting into perspective the culture of Rwanda, with regards to a wife's discipline towards her husband, the program targets women yet the husband often controls the loan. Mayoux observes that a woman in the program of micro finance is used as a debt collector mediating between the agency and family members thus increasing the dependency on men (Mayoux, 2001)

Emphasizing the women target group and the incomplete families, is erroneous considering that there are families that do not fall in the targeted categories, yet are poorer than the target group. In Rwanda, this is most likely in post genocide where there is evidence of street children, old and disabled men, orphans and other vulnerable groups women headed households who benefited from the program tend to remain in that social status hence persistence of incomplete families (Appleton, 1998).

Grameen Bank's replication policy suggests that micro credit is a panacea formula to poverty reduction in the world; this is portrayed by the replication of the program in over 70 countries in the world (Barnasek, 2008).

The minimal approach is necessary but not sufficient approach to poverty reduction in Rwanda. Considering lessons drawn from India and Bangladesh, which has shown that credit should be provided in conjunction with other social services, thus making the program become integrated approach (Rahnuma, 1992).

One of the priorities of the government of Rwanda today is the promotion of Micro business and entrepreneurship development through the provision of financial and non-financial assistance. Seminars aimed at sensitizing the public on micro enterprises have been conducted at national and regional levels. In addition, many international and local no-governmental organizations are trying to implement micro finance programmes.

Currently many NGOs and micro finance institutions are concentrating their programmes and activities in many regions of the country by providing funds to projects that are undertaken to raise the living standards of the population in general and women in particular.

In this research we emphasized on the activities of DUTERIMBERE IMF as one of the micro financing institutions that has managed to operate in the country with its policies of targeting vulnerable women groups with low income and usually shunned by other financial institutions.

### **Statement of the problem**

In many developing countries, the poverty of women is strongly linked to history and Rwanda is not an exception. This can be explained by the fact that the productive work of women has been ignored for many years, a fact which resulted in a lack of formal education and consequent lack of personal empowerment for many women.

According to the World Bank's gender statistics database, women have a higher unemployment rate than men in virtually every country. In general, women also make up the majority of the lower paid, unorganized informal sector of most economies. These statistics are used to justify giving priority and increasing women's access to financial services on the grounds that women are relatively more disadvantaged than men (World Bank, 1998).

Empowerment of women and gender equality are prerequisite for achieving political, social, economic, cultural and environmental security among people. (Beijing, 1995). As it has been cited earlier, access to credit is an important mechanism for reducing women's poverty and to empower them. Both the Convention on the Elimination of Discrimination Against Women (CEDAW) and the Beijing Platform for Action (BPFA, 1995) address women's access to financial resources. For example, BPFA includes thirty five references to enabling poor women to gain access to credit.

As stated by Narayan (2002) in most poor countries, men's domination of women is strongest within the household. Access to credit and participation in income-generating activities is assumed to strengthen women's bargaining position within the household thereby allowing them to influence a greater number of strategic decisions. Rwanda is also one of the poor countries where women have a low standard of living. This study looks into microfinance institutions as contributing to women's knowledge and self confidence by widening their social networking. It also gives women the tools and skills they need to participate more effectively and successfully in formal politics and to informally influence decisions and policies that affect their lives.

Generally, this study deals with micro financing in creating employment and income opportunities to women and subsequently in empowering them to play an active Contributions in the economic, political and socio-cultural sphere in the study area.

### **Purpose of the study**

The study investigated the Micro financing and Women Empowerment in Rwanda.

The research looked whether the extent of MFI contribution toward women in terms of Economic, political and social contribution and whether there is a significant difference in means for extent of MFI contributions among the general characteristics of women in relation to MFI.

## **Research objectives**

The general objective of the study was to show the correlation of the microfinancing and women empowerment in Rwanda.

The specific objectives of the study were:

- To determine the profile of women in items of age, level of education, marital status and occupation before joining MFI.
- To determine the degree of microfinance on women empowerment in Rwanda.
- To determine the extent of women empowerment in Rwanda.
- To establish whether there is a significant relationship between microfinance and women empowerment in Rwanda.

## **Research questions**

The following are the questions of the research:

- What are the profile of women in items of age, level of education, marital status and occupation before joining MFI?
- What are the degrees of microfinance on women empowerment in Rwanda?
- What are the extents of women empowerment in terms of Economic, political and social?
- Is it there a significant relationship between microfinance and women empowerment in Rwanda?

## **Null Hypothesis**

There is no significant relationship between degree of micro-financing and extent of women empowerment in Duterimbere, Muhanga District Rwanda.

## **Scope of the study**

Geographical scope: The research was conducted a case study of Microfinance Duterimbere, Muhanga District area of work situated in the South province of Rwanda which is one of the poverty reduction oriented MFI with one objective to promote women in Rwanda. The fact that it is among the first MFIs in Rwanda and the majority of Duterimbere members are women (95%) makes Duterimbere Microfinance well equipped to stand for the empowerment of women in Rwanda.

Theoretical scope: This research is supported by the spillover theory of microfinance. The spillover theory is based on the premise that microfinance contributes to women empowerment through their services and products.

Content scope: The study was focus on microfinance institutions and their effect on women empowerment. In this study, microfinance is considered as independent variable and women empowerment and as dependent variable. In order to find out the effect of microfinance in empowering women, the researcher proposes microfinance services, access to micro credit and loans as effect in promoting and empowering women entrepreneurship, business creation and increasing income levels as result.

Time scope: This study has been limited into period of 2011.

## **Significance of the study**

The main objective of the study is to look into the correlation of microfinance in the empowerment of women. The findings of the study will show the economic, political and social benefits of microfinance delivery to women in addition to its impact in enhancing their increasing income. Furthermore, the study also will identify the problem women face with MFI. In addition, the results of the study will serve as a source of information for people that need to know the Effect of MFI on the empowerment of women

This research will contribute significantly in different areas to improve the microfinance contribution in poverty reduction strategy and will guide a number of parties interested in microfinance credits rendering process.

The research expectations have the following significance:

The researcher will gain knowledge and skills of dealing with practical issues that characterize the functioning of micro finance institutions in women development.

This research will create awareness on the effect of MFIs on empowering women which is an indispensable instrument in the development process.

This study will serve as a literature to other researchers who will be interested in the related area.

This will benefit women in Rwanda in understanding the conditions under which MFIs facilitate them in their development process. MFIs Duterimbere IMF will benefit from this research through obtaining information from women clients on the quality of their service.

### **Operational Definitions of Keys terms**

**Microfinance:** is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services.

More broadly, it is a movement whose object is a world in which as many poor and near-poor households as possible have permanent access to an appropriate range of high quality financial services, including not just credit but also savings, insurance, and fund transfers. Those who promote microfinance generally believe that such access will help poor people out of poverty.



**Women empowerment:** Often considered best avoided as being too controversial and political. The assumption is that increasing women's access to micro-finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, will translate into improved well-being for women and enable women to bring about wider changes in gender inequality.

**Empowerment:** is to increasing the spiritual, political, social, or economic strength of individuals and communities. It often involves the empowered developing confidence in their own capacities.

Empowerment is a multi-dimensional social process that helps people gain control over their own lives. It is a process that fosters power (that is, the capacity to implement) in people, for use in their own lives, their communities, and in their society, by acting on issues that they define as important. Most perspectives on empowerment emphasize the need to build capacity in societies to respond to the changing economic and political environment.

**Economic empowerment:** In our research, we emphasized on economic empowerment. Women's access to credit is generally believed to result in their economic empowerment. As a result, the provision of microfinance to women has been called for by various international and national organizations in light of their productive role for economic development and women's rights.

**Political Empowerment:** This concerns the involvement of individuals in the decision making processes which affect their lives. Political power is not limited to formal elections, but through collective actions the interests of those organized may be promoted in the absence of, or in addition to, any formal political process.

There are a range of possible mechanisms to increase women's participation in political life with varying degrees of success. The first is the reform of political parties

through quotas and other forms of affirmative action. Another mechanism is training to develop women's skills and gender sensitive working with women's political organizations is the other mechanisms to enhance their participation. Measures that can be taken by microfinance institutions to increase the quality of women's political participation include awareness raising, training programs for female candidates, the cultivation of links and networks between women in local government and quotas in NGOs and timing of meetings and provisions of child-care to fit with women's domestic responsibilities.

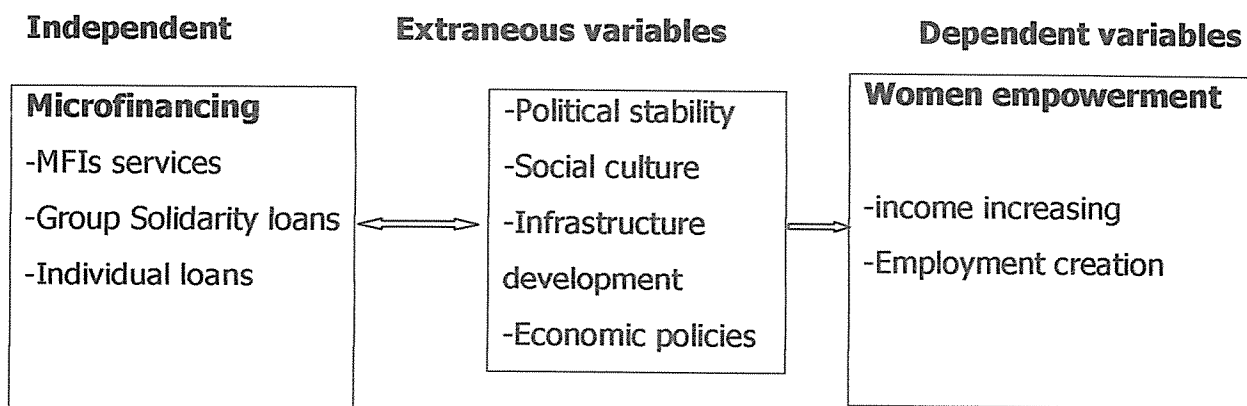
**Social Empowerment:** is concerned with access to productive skills, material goods and information. The literacy rate and social awareness, especially of women who are much oppressed in many parts of the developing countries. We can say, in general, that is related to the participation of people in different community and political institutions, mobility and decision-making power, access to safe drinking water and sanitation coverage. The other factors which result as the increase in social empowerment are increase in contraceptive prevalence rate and access to public and common property resources, and decrease in child and maternal mortality.

**Income:** The consumption and savings opportunity gained by an entity within a specified time frame, which is generally expressed in monetary terms. However, income for household and individuals as the sum of all the wages, salaries, profits, interests, payments, rents and other forms of earnings received in a given period of time and for firm, income generally refers to net-profit what remains of revenue after expenses have been subtracted. In the field of public economics, it may refer to the accumulations of both monetary and non-monetary consumption ability, the former being used as a proxy for total income. In this study, income is defined as for individuals, money earned through employment and investments.

## Conceptual framework

A review of literature from the conceptual perspective permits us to see how the essential concepts or variables in the study are connected. In this study, it relies on performance of microfinance as independent variable which contributes to poverty eradication. The relationship among the variables can often be demonstrated graphically (diagrammatically) as is shown here below;

**Figure1. Conceptual framework relating microfinancing and women empowerment**



**Source:** Author (2011)

The conceptual framework in figure 1 proposed that MFIs provide services (loan facilities, saving facilities, monitoring activities of groups, offering training to clients, insurance services, and assistance with group formation) that can empower their beneficiaries, group solidarity loans product that can contribute in income increasing and loans that can encourage in job creation. However, these independent factors will rely on extraneous contextual factors such as political stability, social culture, infrastructure and economic policies in empowering women. Give above factors, the MFIs on women empowerment will be realized through empowerment of poor women, increased levels of income, and employment creation.

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## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Concepts, Ideas, Opinions From Authors/ Experts**

Access to microfinance services led to the empowerment of women who had such access, some authors argue that contributing to a women's household income is a significant factor in contributing to her own empowerment (Fisher and Sriram ed., 2002). Elisabeth argues that improvements in health care nutritional advice and education can be sustained only when households have increased earnings and greater control over financial resources.

A participation in a microfinance program can improve women's sense of self-esteem and control over assets by increasing their economic contribution to the household. Noticeably, loans given to poor women create better effects than those given to men. In a study carried in Rural Bangladesh, Pitt, and others found that women's credit has a large and statistically significant impact on the health of children, both boys and girls. They found that a 10% increase in credit provided to females increases the arm circumference of their daughters by 6.3%, twice the increase that would be expected from a similar proportionate increase in credit provided to men (Morduch and Haley, 2001).

Some analysts see women's participation in politics as a key measurement of their empowerment in society. But others say empowerment of women is more than addressing the discrimination that excluded them from leadership and decision making position. It also means increasing their social and economic strength, both individually and collectively, as well as removing the obstacles that penalized and prevented them from being integrated into their respective societies (United Nations, 2007).

Mayoux (2001), found that group- based microfinance is significantly benefiting to women by contributing not only to the alleviation of poverty, but also on women promotion. She presented her results in three categories; First, savings and credit provision in itself is assumed to contribute to a process of individual economic empowerment by enabling women to decide about savings and credit use. For her, by accessing the small loans women will invest in their own economic activity, either agricultural production or micro-enterprise, therefore increasing incomes which they themselves will be able to control. Secondly, the personal economic empowerment will lead to an increased well-being for themselves and their families. Thirdly the economic empowerment is further seen as enabling women to renegotiate changes in gender relations leading to social and political empowerment (Mayoux, 2001).

### **Theoretical Perspectives**

Mariam (1998) emphasize the use of theoretical frame work as a means of providing premise for the study so that coherent argument can be made for the research questions. The theoretical frame work provides the conceptual grading of the study since it is built on a combination of experience. Based on theory that serves to inform the researcher`s assumptions in regard to the research setting in general. This is seen as a mean of focusing design and analysis procedures.

This research is supported by the spillover theory of microfinance. The spillover theory is based on the premise that microfinance contributes to women empowerment through their services and products.

Spillover theory postulates the conditions under which the spillover between the work microsystem and the family microsystem is positive or negative. Research documents that if work-family interactions are rigidly structured in time and space, then spillover in terms of time, energy and behavior is generally negative. Research also supports the notion that work flexibility, which enables individuals to integrate and overlap work and family responsibilities in time and space, leads to positive spillover

and is instrumental in achieving healthy work and family balance” ( Hill, E.J., Ferris, M., & Martinson, V. (2003).

In this study, microfinance is considered as independent variable and women empowerment and as dependent variable. In order to find out the effect of microfinance in empowering women, the researcher proposes microfinance services, access to micro credit and loans as effect in promoting and empowering women entrepreneurship, business creation and increasing income levels as result.

## **Related Studies**

### **Microfinance institutions**

The concept of micro finance originated from Columbia in 1971 by Opportunity International in a similar experiment in 1973 in Recife, Brazil by ACCION International, a community development organization working in Latin America and founded in 1961. In general, micro-finance means the provision of a broad range of financial services such as deposits, loans, money transfers, and insurance to poor and low-income households and their micro-enterprises. Three types of sources provide micro-finance services; formal institutions such as rural banks and cooperatives semi-formal institutions, such non-governmental organizations and informal sources such as money lenders and shopkeepers. Micro-finance services are provided by both formal and semi-formal financial institutions (Ledger, 1998).

Initially, Microfinance was defined according to the activity of lending, to who received it, the purpose and size of what was granted. Originally and to most, micro finance means providing very poor families with very small loans (micro credit) to help them engage in productive or grow their businesses.

Over time, micro finance has come to include a broader range of services ( credit, savings, insurance etc.) as we have come to realize that the poor and the very



poor that lack access to traditional formal financial institutions require a variety of financial products (Marguerite S. Robinson, 2003).

The term has also been defined written to sectors financed mostly agricultural and small business, low salary earners and commission goals.

Micro finance refers to small scale financial services primarily credit and savings provided to people who farm or fish or herd who operates small enterprises or micro enterprises where goods are produced recycled repaired or sold, who provide services, who work for wages or commissions, who gain income from renting out small amounts of land, vehicles, draft animals, or machinery and tools to other individuals and groups at the local levels of developing countries, both rural and urban. Many such households have multiple sources of income (Calles, 2005).

Most MFIs are nongovernmental organizations committed to assisting some sector of low income earning population. Almost of these MFIs offer micro credit and only take back small amounts of savings from their borrowers, not from the general public. Within the micro finance industry the term micro finance institution has come to refer to a wide range of organizations dedicated to providing these services NGOs, credit unions, cooperatives, private commercial banks and non bank financial institutions some that have transformed from NGOs into regulated institutions and parts of state owned banks (Mayoux, 2003).

Micro credit programmers aimed at empowering women have become popular among donors and NGOs. Development policies with the approach of women's empowerment through women organizing for greater self-reliance has also resulted in a change of policies for the enhancement of women's economic role. Since microfinance organizations have financial focus, they are expected to impact the lives of the poor (Kabeer, 2005).

Micro credit is about much more than access to money. It is about women gaining control over the means to make a living. It is about women lifting themselves out of poverty and vulnerability. It is about women achieving economic and political empowerment within their homes, their villages, their countries. (Beijing +5 Conference, 2000)

(Kabeer, 2005) states that in order to bring women's empowerment microfinance needs to help poor women address their daily needs as well as their strategic gender interests. It is recognized that strategic gender interests go to the very heart of the structures of patriarchal power: the abolition of a coercive gender division of labor; of unequal control over resources; ending male violence, women's control over their own bodies, the establishment of political equality and the ending of sexual exploitation (Molyneux, 1985).

### **Women empowerment**

The idea of power is at the root of the term empowerment. Power might operate in different ways (Oxaal and Baden, 1997). Power over involves an either/or relationship of domination/subordination while power to relates to having decision making authority to solve problems. Power with involves people organizing with a common purpose or common understanding to achieve collective goals where are power within refers to self confidence, self awareness and assertiveness.

Power tends to accrue to those who control or are able to influence the beliefs, values, attitudes, behaviors and resources that govern social relations at both public and private levels. Empowerment of women processes tend to identify power in terms of the capacity of women to increase their own self reliance and internal strength, and gain, and use power in alternative constructive ways (Oxaal and Baden, 1997).

Empowerment is usually associated with women not only because they have been historically disadvantaged in access to material resources like credit, property and money, but they have also been excluded from social resources like education or inside knowledge of some businesses (Zafar, 2002).

The term 'empowerment' is frequently used in promotional literature. Definitions of empowerment are in individualist terms with the ultimate aim being the expansion of individual choice or capacity for Self-reliance. It is assumed that increasing women's access to micro-finance services will in itself lead to individual economic empowerment through enabling women's decisions about savings and credit use, enabling women to set up micro-enterprise, increasing incomes under their control. It is then assumed that this increased economic empowerment will lead to increased well-being of women and also to social and political empowerment (Kabeer, 2001).

Women have been not only historically disadvantaged in accessing material resource like credit, property, and money, but they have also been excluded from social resources like education or an insider knowledge of some businesses. According to (Sarah,2003), Women's empowerment is " having access to and control over the means to make a living on a sustainable and long term basis, and receiving the material benefits of this access and control. Form this definition; women's empowerment involves the increase of women's access to income for long term sustainable benefits, not only in terms of changes to laws and policies but also in terms of power relationships in the household, community and market levels.

Access to resources does not by itself translate into empowerment or equality unless women acquire the ability to use the resources to meet their goals. For resources to empower women they must be able to use them for the purposes of their choice. The effective use of resources requires agency, which is, the process of decision making, negotiation and manipulation (Kabeer, 2005). Women who have been excluded

from decision making for most of their lives often lack this sense of agency that allows them to define goals and act effectively to achieve them.

Movements which seek the empowerment of women as group increase opportunities available to individual women, and economic empowerment can increase women's status in their families and societies. The lack of empowerment, on the other hand, eventually slows down economic and political development, just as the lack of progress in meeting people's basic needs will limit empowerment because poverty itself is disempowering (Skarlatos, 2004).

The World Bank has also identified empowerment as one of the key constituent elements of poverty reduction, and as a primary development goal (Malhotra et.al, 2000). The promotion of women's empowerment as a development goal is based on the dual argument that social justice is an important aspect of human welfare and is intrinsically worth pursuing. A similar dual rationale for supporting women's empowerment has been articulated in the policy statements put forth at several high level international conferences in the past decade e.g. (Beijing Platform for Action, 1995), (Beijing +5 Declaration, 2000), and (CEDAW,1979). However, no major development agency has developed a rigorous method for measuring and tracking changes in levels of empowerment. It is, therefore, difficult for the international development community to be confident that their efforts to empower women are succeeding (Malhotra et.al, 2000).

The empowerment of women is essential for achieving the goals of sustainable development centered on human beings (Malhotra et.al, 2000). It also requires appropriate public policies to ensure that women enjoy all human rights and fundamental freedoms and participate fully and equally in all spheres of public life including decision making. Public policies to promote women's economic potential and independence and their full and equal participation in development are also essential for

women's empowerment. Measures are also needed to ensure women's equal access to education and to training and retraining.

Women's empowerment should also reflect on their sexual and reproductive rights and health. An empowerment approach to women's health emphasizes women's individual sense of self worth connecting to the values they attach to their own health (linked to "power within") women's individual decision making over access to health care ("power to") and women's collective empowerment through organizing to make health services more accountable and to increase women's choice decision making and control over their bodies ("power with") (Cheston and Kuhn, 2002).

Furthermore, links between empowerment and health in general, and specifically for women are receiving growing recognition. Presentation made by WHO at the Fourth World Conference on Women at Beijing states that the empowerment of women is a fundamental prerequisite for their health. This means promoting access for women to resources, education and employment and the protection and promotion of their human rights and fundamental freedoms so that they are enabled to make choices free from coercion or discrimination (WHO, 1995).

Education plays a vital role in the social empowerment of women (Indian National Policy, 2001). The empowerment requires the provision of equal access to education for girls and women. It also requires taking special measures to eliminate discrimination, universalize education, eradicate illiteracy, create a gender-sensitive education system, increase enrollment and retention rates of girls and improve the quality of education to facilitate lifelong learning as well as development of occupational/Vocational/ technical skills by women.

Empowerment is essentially a bottom-up process rather than something that can be formulated as a top-down strategy (Cheston and Kuhn 2002). It then follows that the empowerment of women basically rests on women themselves rather than

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development agencies. The empowerment of women involves women themselves setting the agenda and managing pace of change (Carolyn, 2003). Empowerment comes from within, i.e., women empower themselves. Other parties such as development cooperation agencies or NGO.s can, however, play an important role in facilitating capacity building and networking.

Appropriate external support can be important to foster the process of empowerment. In this regard, development agencies can support women's empowerment by funding women's organizations that work towards addressing the causes of gender subordination by promoting women's participation in political systems and by facilitating dialogue between those in positions of power and organizations with women's empowerment goal (Carolyn, 2003).

Development activities have become closely associated with the promotion of women's empowerment, such as micro credit, political participation and reproductive health and much innovative work has been done in these areas. However, there are limits on the extent to which such activities are by themselves empowering (Cheston and Kuhn, 2002).

Empowerment approaches are utilized in a variety of development initiatives in addition to micro credit programs, democratization programs and leadership training programs. However, question has to be raised as to what constitutes empowerment and when is the program empowering and when it is not. For example, increased decision-making power at individual level and greater access to economic resources of women does not necessarily translate into greater representation on power of women with in political institutions (Cheston and Kuhn, 2002).

Furthermore, empowerment in one area cannot be sustained without attention to other facets (Cheston and Kuhn, 2002). For example, reproductive and sexual rights cannot be fully exercised where women lack independent economic resources. The

promotion of empowerment also requires addressing organizational structures and processes in addition to policy frameworks. Empowerment is demonstrated by the quality of people's participation in the decisions and processes affecting their lives. For participation to promote empowerment it needs to be more than a process of consultation over decisions already made elsewhere. Strategies to support women's empowerment should encourage women's participation at all stages of projects including evaluation (Cheston and Kuhn, 2002).

### **Microfinancing and Women's Empowerment**

The link between micro finance and women empowerment is due to some facts such as micro finances' proximity to the poor, systematic targeting of the poor for credit and other financial services. Many micro-finance institutions have come up with innovative lending systems such as solidarity group lending which encourages loan repayment and the group acts as the security for loan offered, training facilities provided, the low rates of interests charged. The loan and other financial services provided to the women help them to get startup capital thereby contributing to their promotion as women entrepreneurs (Marguerite, 2002).

Some analysts see women's participation in politics as a key measurement of their empowerment in society. But others say empowerment of women is more than addressing the discrimination that excluded them from leadership and decision making position. It also means increasing their social and economic strength, both individually and collectively, as well as removing the obstacles that penalized and prevented them from being integrated into their respective societies (United Nations, 2007). One of the problems that face many women is the access to resources which impede their advancement and make them the poorest of the society.

Many development scholars have shown the impact of small loans to the empowerment of women; even though some may criticize the loans given to poor women as a kind of a double burden, others argue that even if men's credit tend to be

invested in physical capital, women access to credit has more impact on the improvement of children enrollment in school than men's credit, and that women microloans has more impact on the nutritional wellbeing of Children (World Bank, 1998).

Micro Finance for the poor and women has received extensive recognition as a strategy for poverty reduction and for economic empowerment. Increasingly in the last five years , there is questioning of whether micro credit is most effective approach to economic empowerment of poorest and, among them, women in particular. Development practitioners in India and developing countries often argue that the exaggerated focus on micro finance as a solution for the poor has led to neglect by the state and public institutions in addressing employment and livelihood needs of the poor (Mayoux, 2001).

Credit for empowerment is about organizing people, particularly around credit and building capacities to manage money. The focus is on getting the poor to mobilize their own funds, training their capacities and empowering them to leverage external credit. Perception women is that learning to manage money and rotate funds builds women's capacities and confidence to intervene in local governance beyond the limited goals of ensuring access to credit. Further, it combines the goals of financial sustainability with that of creating community owned institutions (Dhameja ,2002).

Most micro finance organizations target poor women and usually those from socially excluded groups. The reason for the targeting of women under microfinance schemes is the relationship between gender and development. Various researches conducted by institutions such as UNDP (1995) and the World Bank (2001) indicate that gender inequalities inhibit growth and development. Hence, acknowledging the prevalent gender inequalities and the impact on development, microfinance provides women with access to working capital and training to mobilize women's productive capacity to alleviate poverty and pave the way for development.



Women are basically the poorest of the poor. According to UNDP (2003) Human Development Reports, women make up the majority of lower paid and unemployed portion of most economies. It is believed that the welfare of a family is enhanced, when women are helped to increase their incomes. This is due to the fact that women spend most of their incomes on their households. Hence, assisting women generates a multiplier effect enlarging the impact of the family needs and, therefore, another justification for giving priority to them.

Another argument in favor of priorities to women is their efficiency and sustainability. Women are believed to be better in their repayment records and cooperativeness (Cheston and Kuhn, 2002). Women's repayment rates also excel that of men and their lower arrears and loan rates have an important effect on their efficiency and sustainability of the institutions. Women's equal access to financial resources is also a human rights issue (Beijing platform for action, 1995).

According to USAID (1995) financial institutions that offer deposit services are very attractive to women. If a gender based organization is aiming to meet the preferences and needs of its clients, savings services must be an integral component of its program. Saving programs targeting at women have the potential to enhance economic empowerment since women make financial security safety and provision priorities in their households (UN Expert group on women and Finance, 1995).

As indicated previously, microfinance services initially target women. However, it is not sufficient only to cater to women clients to solve gender issues. A gender sensitive approach is inclusive rather than exclusive (Jahan, 1995). Gender sensitivity is assured when taking into account the needs and constraints of both women and men during the design and delivery of finance. On the other hand, the "women only" targeting approach might further exacerbate gender inequalities.

Micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment which focuses on gender awareness and feminist organization. As developed by Chen in her proposals for a sub sector approach to micro credit, based partly on SEWA's strategy and promoted by UNIFEM, microfinance must be: Part of a sectoral strategy for change which identifies opportunities, constraints and bottlenecks within industries which if addressed can raise returns and prospects for large numbers of women. Possible strategies include linking women to existing services and infrastructure, developing new technology such as labour-saving food processing, building information networks, and shifting to new markets, policy level changes to overcome legislative barriers and unionization (Harper, Malcolm, 2002).

Microfinance institutions have their roots in Bangladesh from the Grameen Bank where they have been seen as a way to alleviate poverty through small loans given to poor women who were not able to get credit from formal commercial banks. The question therefore is whether microfinance really does empower poor women. Various scholars have viewed poverty as having a women's face, which implies that poverty has heavier weight on women than it has on men. This has a close relationship to the nature of their roles within the household level (Barnasek, 2003).

Access to microfinance services led to the empowerment of women who had such access, some authors argue that contributing to a women's household income is a significant factor in contributing to her own empowerment (Fisher and Sriram, 2002). Elisabeth argues that improvements in health care nutritional advice and education can be sustained only when households have increased earnings and greater control over financial resources.

A study carried in Indonesia found that women's income increased and this changed the behavior of household members; their decision making position increased particularly in important areas of family planning and the education of children. Also,

the participation of other family members in housework increased significantly, as women spent more time on their businesses and contributed more to the household income (Rosintan and Kathleen, 1999). All these findings put an emphasis on the importance of women empowerment in the fight against poverty.

Conversely, some skeptics argue that rather than empowering them, microfinance increases women vulnerability to violence. Some argue that due to the high level of poverty, most of poor women who got the micro credits spent them in other things than investing in income generating projects, and that in some cases it is the husband who controlled the money which made the situation worse than it was before as it adds a burden of a loan to that of poverty (Norman I, 1997). For Norman, the fact of paying back the received loan doesn't correspond to the success of the project, because sometimes the money paid back comes from another borrowing rather than the project created. In his study of a single village with Grameen Bank, Rahman established that "out of 120 women borrowers, 18% claimed a decrease in violence and 70% confessed an increase in violence and aggressive behavior in the household because of their involvement in the bank" (Rahman , 1999).

Even if no one can contradict his observation, one village is too insignificant to conclude on the bad impact of microfinance programs to women who acquired loans. Another significant point is that his study does not consider female-headed households and those without a male person in the household and in which the female is the main controller of the received loan. Regarding ideas against the empowering side of microfinance on poor women, no one would deny that sometimes poor women are not able to control their money but these loans are sure to strengthen their decision making inside the household. Schuler and Riley found that Grameen women who gave all their loans to their husbands were more likely to be empowered than non borrowers in Grameen villages, and that most Grameen Bank women were engaged in joint household decision making (Barnasek , 2008), supporting the previous argument I find no problem in the fact of women giving their loans to their husbands but the way that

money will be used merits a critical analysis to find out if it will be prioritizing the needs of family members and particularly those of the woman who got the loan, and this may lead to big achievements in the process of empowerment as far as it promotes women interests.

All in all, participation in a microfinance program can improve women's sense of self-esteem and control over assets by increasing their economic contribution to the household. Noticeably, loans given to poor women create better effects than those given to men. In a study carried in Rural Bangladesh, Pitt, and others found that women's credit has a large and statistically significant impact on the health of children, both boys and girls. They found that a 10% increase in credit provided to females increases the arm circumference of their daughters by 6.3%, twice the increase that would be expected from a similar proportionate increase in credit provided to men (Morduch and Haley, 2001).

Even if I am not undervaluing the economic contribution of men in the household, it is generally agreed that women tend to know much better about the detailed needs of the household due to the fact that they are the more likely to spend more time in the household nutrition status and sanitation facilities improve, which contributes to a decline in child mortality much more than when it is the men are granted the loan.

A study carried in Cameroun by Mayoux (1998) found that group- based microfinance is significantly benefiting to women by contributing not only to the alleviation of poverty, but also on women promotion. She presented her results in three categories; First, savings and credit provision in itself is assumed to contribute to a process of individual economic empowerment by enabling women to decide about savings and credit use. For her, by accessing the small loans women will invest in their own economic activity, either agricultural production or micro-enterprise, therefore increasing incomes which they themselves will be able to control. Secondly, the

personal economic empowerment will lead to an increased well-being for themselves and their families. Thirdly the economic empowerment is further seen as enabling women to renegotiate changes in gender relations leading to social and political empowerment (Mayoux, 2001).

Economic empowerment especially if it goes beyond the individual to group, may impact on social and political empowerment. The group based programs is then assumed to promote and strengthen women's economic and social network, which is leading to an increase in income and savings and then the social capital which is consequently assumed to promote further women's empowerment by enhancing their ability to increase incomes, negotiate changes in the household and engage in collective social and political activity. It is then found that even though microfinance programs cannot be seen as the only tool of women empowerment, they still play a major role in the process when they help poor women to get access to financial means and then improve their decision making power.

### **Paradigms of Microfinance Institutions towards Women Empowerment**

Support for targeting women in microfinance programs comes from organizations of widely differing perspectives. Mayoux (2005) identifies three contrasting paradigms with different underlying aims and understandings and different policy prescriptions and priorities in relation to microfinance and gender policy. The three paradigms, namely the feminist empowerment, poverty reduction and financial sustainability, also have different emphasis in the way they perceive the inter-linkages between microfinance and women's empowerment.

#### **Feminist empowerment paradigm**

With a focus on gender awareness and feminist organization, microfinance is promoted in light of a wider strategy for women's economic and socio-political empowerment. In this regard, microfinance must be part of a sectional strategy for change that identifies opportunities and constraints within industries which can raise the

prospects for women, when addressed. In addition, microfinance should be based on participatory principles to build up incremental knowledge of industries and enable women to develop their strategies for change.

### **Poverty reduction paradigm**

This paradigm is touched by many NGO integrated poverty-targeted community development programs. The main focus of such programs is the development of sustainable livelihoods, community development and social service provision like literacy, health care and infrastructure. The programs typically target the poorest of the poor. The strategies target women because of higher levels of female poverty and women's responsibility for household well-being. The assumption is that increasing women's access to microfinance will enable them to make greater contribution to household income which is believed to translate into well being for women and result in changes gender inequality (Ackerley, 1995).

### **Financial sustainability Paradigm**

This underlies the models of microfinance promoted since the mid-1905 by most donor agencies. Large programs which are profitable and self supporting and that, compete with other private banking institutions and capable of raising funds from international financial markets, is the ultimate aim of such endeavors. Financial sustainability is seen as addition to create institutions which reach significant number of the poor. The success of the programs is measured in terms of covering costs from incomes (Kabeer, 2001).

The need for targeting women is justified on grounds of high female repayment rates and the need to stimulate women's economic activity. It is believed that increasing women's access to microfinance services will in itself lead to individual economic empowerment though enabling women's decisions about savings and credit use to set up micro enterprise, increasing incomes under their control.

## **Impacts of microfinance to women empowerment**

### **Economic impact of microfinance**

Women's access to credit is generally believed to result in their economic empowerment. As a result, the provision of microfinance to women has been called for by various international and national organizations in light of their productive role for economic development and women's rights. However, many still question the empowering capacity of credit in relation to the economic social and political conditions of women (Mayoux, 2002).

The impact of microfinance on income has been observed to be variable. It appears that for the majority of borrowers income increases are small and even in some cases negative. This is due to the fact that most women invest in existing activities which are low profit and insecure. In addition, women's choices and ability to increase income is constrained by gender inequalities in access to other resources for investment in household responsibility and lack of mobility (Mayoux, 2002).

Hence, the presumption that access to credit automatically leads to women's empowerment is not often true. This is because women with access to credit are usually unable to gain and maintain control of it. In addition there are additional disadvantages that women face including inability to access information, productive resources and social networks that hinder their access to and control of resources (Mayoux, 2002).

As mentioned earlier, access to microfinance, by and large, has a positive economic impact. The impact becomes larger for those closer to the poverty line and it also increases with the duration of membership or intensity of loans as members begin to invest in assets rather than consumption (Morduch and Haley 2001). Microfinance delivery in various points of the world has improved the economic position of households, enhancing the asset base and diversification in to higher return occupations among members.

However, there are also a number of issues within the women's empowerment framework that impede the poverty reduction capacity of microfinance (Skarlatos, 2004). First the size of the loans is too small which does not enable the women to make long lasting income change for the household. Secondly, the increased access to credit in the same geographic area could contribute to market saturation of products provided by women. This is because poor women usually engage in similar businesses. Thirdly, there is the possibility that the women's successful business might have a negative impact on the girl child who might be required to help her mother leaving the school.

Women have a stake in the overall economic achievement of the household. However, in societies where there are restrictions on women's public mobility the impacts of microfinance on women are marginal or even nonexistent. In addition, the economic impact of microfinance on women depends on whether they have full control over the loan secured and their voice in house hold decision making (Goetz and Gupta, 1996).

### **Social impact of microfinance**

In addition to economic impacts, social changes also result from the work of micro finance organizations (Kabeer, 2005). The delivery of microfinance is expected to result in social changes because women working in groups can achieve what might not be achievable individually. Micro finance organization strategies provide the poor the possibility of belonging to a group they choose despite the socially or economically imposed relationships (Kabeer, 2005). This allows for meeting with others of similar experience and share knowledge. Such practices in effect are believed to empower them both individually and collectively.

The provision of financial services is directly associated with two specific sets of social relations. The first relate to interactions with the staff of the organizations which have the potential to bring change through training and other activities. The second set of social relations is those between members of the groups organized by microfinance



organizations. However, these groups do not embody the same principles of organization or the same kind of relationships between members (Mayoux, 2005).

Child education also improves with the provision of microfinance. In this regard, the delivery of microfinance to women results in greater return as compared to men (Kaber, 2005).

Microfinance members are also expected to have enhanced decision making powers regarding reproductive rights than non-members. These include the decision on abortion, contraception use, and number of children and age at marriage for their daughter. In addition, the livelihood of female decision making has been increases when channeling loans through women's groups rather than to individual women (Goetz and Gupta, 1996).

Claims that participation in microfinance activities has implications for women's empowerment within the household were investigated by a number of studies with varying results. Intra-household decision-making was one commonly investigated indicator of women's empowerment. While there is evidence that microfinance can have an impact on women's role in household decision-making, it has not occurred evenly in all contexts or in all areas of decision-making (Cheston and Kuhn, 2002).

The other social impact of microfinance is on domestic violence. Domestic violence might reveal either a declining or an increasing trend with women's access to microfinance (Goetz and Gupta, 1996). The reason for the decline could be the increase in awareness among family members that provides women a public forum where they discuss matters that were previously kept privately. On the other hand, according to the report compiled by (Rahman, 1999) an increase in domestic violence has been observed for 70 percent of 120 women borrowers of Grameen Bank (microfinance institute found in Bangladesh) following their involvement in microfinance.

### **Political impact of microfinance**

Microfinance is viewed as an effective tool for overcoming the political exclusion of women (Cheston and Kuhn, 2002). The global average of women's representation in national parliaments remains low at 17 per cent as of 31 January 2007 (UN, 2007). Women in government, parliament, the judiciary and other institutions serve as role models and thus as pull factors for other women.

There are a range of possible mechanisms to increase women's participation in political life with varying degrees of success (Byrne et.al, 1996). The first is the reform of political parties through quotas and other forms of affirmative action. Another mechanism is training to develop women's skills and gender sensitive working with women's political organizations is the other mechanisms to enhance their participation. Measures that can be taken by microfinance institutions to increase the quality of women's political participation include awareness raising, training programs for female candidates, the cultivation of links and networks between women in local government and quotas in NGOs and timing of meetings and provisions of child-care to fit with women's domestic responsibilities. Measures to increase the quantity of women representatives need to be accompanied by measures to improve the quality of their participation.

Even programs that are not explicitly addressing women's rights and political participation have had some impact on political and legal empowerment (Cheston and Kuhn, 2002). By contributing to women's knowledge and self-confidence and by widening their social networks, many microfinance programs give women the tools and skills they need to participate more effectively and successfully in formal politics and to informally influence decisions and policies that affect their lives.

### **Women Poverty and their empowerment in Rwanda**

In Rwanda women represent more than the majority of the population but they are the least to be represented in the employed and money-earning segment of the

active population, from this point of view gender issues become a matter for all Rwanda's development programs.

In the formal sector except in agriculture which is still lagging behind other sector of the economy When looking at the formal sector of Rwandan economy, women tend to be mostly represented in agriculture which is the least paying among other works, the informal sector shows that women are more represented than men in the sector and apart from holding the biggest percentage of the total population women tend to be represented in the poorest segment of the population. From this view it can be seen how women empowerment is a must for Rwanda in order to prepare a better future of the country. Statistics data show that only 30.5% of the total effective of employees holding a university degree are women and that most of decision making places in the public sector are occupied by men (Rwanda microfinance strategy paper MIFOTRA, 2006). It is then noticed that women tend to be less represented in terms of GDP and it is least paying of all jobs.

Therefore, the government is trying to push up the development of women as one of the strategic options to boost the economy and a better way to develop the country. After the reconstruction period the Government showed a strong determination in boosting the economy towards a sustainable development, it is in this regard that different programs such as the vision 2020 have been elaborated, at the same time the government has shown a strong commitment to gender equality through deliberate efforts to engender policies and laws have been put in place such as the law about the land and inheritance that allows women to have the right to access the land and the same right to inheritance as that of men, the law against women and domestic violence which played a major role in removing cultural and social barriers that used to harm the right of women as human beings etc.

According to a report conducted by the Rwandan Ministry of Labor, the national Gender Policy's main objectives are to make sure that in all domains of development

women and men have the same opportunities when talking about access to income, resources and services (MIFOTRA, 2006). The same report mentions that the National Policy for employment has a plan of improving the situation of women in terms of employment by suggesting three major points such as: (i) reinforcement of women's movements for the promotion of women, (ii) adjustment of women's training activities to the real needs of the national economy, and (iii) putting up in place a program of micro-projects particularly for women to facilitate their active participation in the economy.

Despite the political commitment to promote gender equity and equality in all sectors of economy, a significant level of inequality persists between the human development achievements of women and men in Rwanda, while being among the few countries that have the biggest number of women parliamentarian 48.8% in 2007 (UNDP, 2007), The poverty figure by gender from EICV shows that poverty in Rwanda was heavily biased against women in 2002 and that in male-headed households and the differential for extreme poverty was even larger (UNDP, 2007).

However it has been Scientifically proven that women are much more likely to invest in their families and their children's education when accessing credit (Kabeer N., 2005) and that they have a better record of repaying loans, especially when they receive training at the same time (Momsen, J., 2004, Mayoux, L., 2003). From these views it can then be assumed that targeting women and analyzing their potential for economic growth in Rwanda could help in achieving the goal of poverty reduction.

### **Promote Gender Equality and women empowerment in RWANDA**

"In Rwanda there is a saying. The woman is the heart of the house, so if your heart is working well the whole body I think is also to benefit,"

In 2003, Rwanda conducted elections for the Presidency and the parliament had a referendum on a new constitution. The new constitution guarantees a minimum of 30 percent of parliamentary seats and other leadership positions to women. Today, Rwanda has the highest number of women parliamentarians in the world with women constituting nearly 50 percent in the Chamber of Deputies and about 35 percent in the Senate. The Government of Rwanda also has 34 percent of women in its Cabinet. This is supported by the Rwanda Women Parliamentary Forum. In February 2007, the Forum held an international conference to share its experiences and to forge partnerships with development allies in the area of nation building. Speakers at the conference agreed that women play a critical role in the development of nations and in the attainment of the MDGs (United Nations, 2007).

Women now have the right to own land and property. When they marry they can choose to pool their assets with their husband or they can keep them separate. The divorce rate is increasing as a consequence of these changes. Inheritance laws have been passed so that a man's property is split equally between his wife and both female and male children.

Rape has been acknowledged as a very serious offence; there is a free police hotline and there are heavy jail sentences for perpetrators. Contraception has been made widely available. Women who want to stop having babies but whose husbands object are told it is their right to choose (UNDP, 2010).

The Rwanda Development Board told 'IPS' the business registration system will benefit those who wish to access bank loans and micro-finance and those who wish to protect their intellectual property. Women comprise 54 percent of Rwanda's population of nine million. Although there are no statistics available for women-owned businesses, the Rwandan government acknowledges that the majority of employees in both the formal and informal sectors are women. The registration effort focuses on enterprises earning a minimum daily income equivalent to US\$ 20 and makes the process of

registering as short and simple as possible. The costs have also been drastically reduced, from the equivalent of about US\$ 600 to just US\$ 43.

One of the key objectives of the Rwanda Development Board, the agency tasked with the registration process, is the sensitization and mobilization of women to invest in doing business. But registration does not automatically guarantee loans for women-owned businesses. Many women in rural areas complain they still face difficulties in accessing loans under the Women's Guarantee Fund, established last year.

Officials have dismissed the women's concerns. "The government has established the necessary mechanism on micro loans for all financial institutions that lend to female entrepreneurs," François Kanimba, the governor of the Central Bank told 'IPS' in a 2009 interview. At the time, the Central Bank reported that 6,568 women had benefitted from the credit scheme, drawing loans from US\$ 900,000 provided by government, international donors and NGOs (MINECOFIN, 2008)

UNIFEM's priority areas for advancing Gender Equality and Women's Empowerment in Rwanda:

- Promoting Women's human rights and eliminating Violence against Women

Officials have dismissed the women's concerns. "The government has established the necessary mechanism on micro loans for all financial institutions that lend to female entrepreneurs," François Kanimba, the governor of the Central Bank told 'IPS' in a 2009 interview. At the time, the Central Bank reported that 6,568 women had benefitted from the credit scheme, drawing loans from US\$ 900,000 provided by government, international donors and NGOs (including gender dimensions of HIV/Aids pandemic).

Engaging security and justice sectors (National Police, National Defense Forces, Supreme Court, Prosecutor General) to enhance protection against and elimination of Sexual and Gender Based Violence, development of appropriate policy and legal

frameworks on SGBV, training and sensitization on women's human rights, Translating important conventions and agreements such as CEDAW and the Beijing Platform for Action into local languages to sensitize women and their communities about women's rights, and responding to the challenges presented by the inter-relationship between GBV and HIV/Aids.

- Enhancing women's leadership in governance and peace-building

Support to women's organizations and forums that work to train, empower and build capacities of elected women leaders and women in decision making, engendering policies and legal frameworks, and women's increased participation in political processes, justice mechanisms both formal and informal and their access to justice, while promoting cross-regional learning. Strategic Training and Sensitization programs demonstrate the value-added women bring to achieving sustainable peace and security.

- Strengthening women's economic security and rights

Increasing and expanding women's capacities as entrepreneurs, producers and home based workers, emphasizing women's empowerment for their economic security, and that of their families and communities. Key partnerships include local authorities, women's organizations and the private sector, focusing on skills training, production of handicrafts (including the famous "Peace Baskets") and access to local and international markets, and promoting women's use of ICTs in their businesses. UNIFEM supports capacity strengthening for gender advocates to better engage in national development processes and plans to ensure effective incorporation of Gender Equality concerns (US. DEPARTMENT OF STATE (2007), International Religious Freedom Report, Rwanda, Bureau of Democracy, Human Rights and Labor).

## **CHAPTER THREE**

### **METHODOLOGY**

#### **Research Design**

The study employed descriptive correlation design. In this, both qualitative and quantitative approaches have been established. This research design was preferred because of its effectiveness in establishing not only the relationship between the two research variables but also the degree of relationship between degree of micro-financing and the extent of women empowerment in Duterimbere, Muhanga District with the help of statistical analysis of correlation matrix and regression analysis using SPSS.

#### **Research Population**

The researcher population comprised to the women clients who activities are funded by DUTERIMBERE IMF MUHANGA Branch. Presently DUTERIMBERE IMF has 3370 client members in MUHANGA branch, among those client members the women present 70% or 2359 and men present 30% or 1011 only operate with DUTEREMBERE IMF MUHANGA Branch according the information from DG of MFIs DUTERIMBERE. From the total number women clients of DUTEREMBERE IMF MUHANGA Branch the research target was based only women client who were received loans from DUTERIMBERE IMF MUHANGA which women client received individual loan present 155 women members and women received loan in group solidarity present 1950 women members which all total population are 2105 women clients who were received loans from DUTERIMBERE IMF MUHANGA Branch. The study will concern on period of 2011.



## Sample Size

The study was considered women Client operate with MFIs DUTERIMBER, MUHANGA Branch. Therefore, the researcher selected 336 Women client who receive credit from IMF; stratified samplings used to select respondents form the select MFIs.

The sample will select using Slovene's, (1978) formula: 
$$n = \frac{N}{1 + N (e)^2}$$

Where      n = sample size

N = population

1 = constant and  $e^2$  = level of significance 0.05

Using the formula the Women client who was received loan of the select MFIs calculated to be 336 women client. The researcher will consider the women clients beneficiaries of financial services from MFIs DURERIMBERE, MUHANGA Branch.

**Table 3.1**

**Population and sample size**

Respondents	Population		Sample size
	Number	Proportion	
Individual loans	155	0.074	25
Group solidarity loans	1950	0.976	311
Total	2105		336

**Source:** Duterimbere, 2011

## Sampling Procedure

The researcher chose stratified random sampling method to determine the sample size because it is the appropriate method. It helped to identify people deemed

having reliable and very detail information that assisted the researcher establishes the contribution of MFIs in empowering women.

This research employed systematic sampling to capture a sample of respondents out of the total population to participate in the research. This helps to select the respondents by random pick. Systematic sampling is a random sampling technique which is frequently chosen by researchers for its simplicity and its periodic quality.

It is a statistical method involving the selection of elements from an ordered sampling frame. The most common form of systematic sampling is an equal-probability method, in which k element in the frame is selected, where k, the sampling interval (sometimes known as the skip), is calculated as:

$$K = \frac{N}{n}$$

Where n is the sample size and N is the population size. This is one of the methods that has been used

In systematic random sampling, the researcher first randomly picks the first item or subject from the population. Then, the researcher selected each n the subject from the list. The procedure involved in systematic random sampling is very easy and can be done manually and the results are representative of the population unless certain characteristics of the population are repeated for every n the individual which is highly unlikely.

## **Research Instrument**

### **Sources of Data**

The source of data for this research was been primary and secondary sources. **Primary source** - is described as the data that was observed and recorded by the researcher for the first time to his knowledge and data have been collected by using questionnaires. Data have been collected directly from the field and it provided the key

information collected from the respondents in order to establish the influence of Micro financing and women empowerment in Duterimbere, Muhanga District.

**Secondary source** - this provided data by reading different documents related to the topic, by visiting public libraries, published materials, journals pamphlets. The internet has been also reviewed for any published and presentations by prominent academician.

### **Validity and Reliability of the Instrument**

The validity of instruments was determined by Supervisor and other senior researchers' consultation in order to come up with reliable and valid information. In this respect, statements and questions in the instruments was aim at providing answers to research questions and appropriate to testing the research hypothesis.

The researcher ensures that the instrument is reliable by constructing a thorough conceptual framework in which the terms used in data collection instruments are clearly explained. The researcher worked with the supervisor to review the instruments. The researcher also made a careful selection and briefing of the research assistant who helped in the delivery and collection of questionnaire to respondents. The researcher has also used pilot test of the instruments and the outcome of pilot test helped the researcher to clear some of the ambiguities and inconsistencies that have been detected.

### **Data Gathering Procedures**

The following data collection procedures were implemented:

#### **Before the administration of the questionnaires**

The research requested an introduction letter from the Director of the School of Post Graduate Studies of Kampala International University and presented it to the administrators of Duterimbere MFs under study for him to be permitted to conduct the study.

The letter contained the criteria for selecting the respondents and the request to be provided with the list of qualified Plant administrators. After approval the requested list of respondents provided to the researcher by the DUTERIMBERE Plant, were used by the researcher to guide her in identifying the participants of the study. Pre-testing of the instrument of leadership styles followed.

The researcher prepared the questionnaires and convenes with his selected research assistants to discuss and brief them on the sampling techniques and data gathering procedures.

The researcher utilized the table on respondents to determine the actual number of participants.

### **During the administration of the questionnaires**

Specifically, the researcher and his assistant were seriously particular in requesting the respondents the following: To sign the informed consent; to answer all questions hence should not leave any item unanswered; to avoid biases and to be objective in answering the questionnaires.

The researcher and his assistants tried retrieving the questionnaires within three weeks from the date of distribution.

All questionnaires retrieved were checked and completely filled out.

### **After the administration of the questionnaires**

After the researcher coded responses (this was done after data collection to avoid confusion to respondents, moreover there were open-ended questions) to facilitate analysis by computer. Data was entered into the SPSS, and then errors were checked to ensure the consistency of information. Data was analyzed, explored and presented using tables; then the researcher interpreted result, wrote the absolute report, and as a final point the dissertation was submitted to the School of Post Graduate Studies of Kampala International University.

## **Data Analysis**

Frequencies and percentage distributions were used to analyze data on profile characteristics of respondents. Means were used to analyze data on the general characteristics of women and extent of MFI contributions towards women empowerment. The 0.05 level of significance was used to accept or reject the null hypotheses. The following rating scale was used to determine the strength and weakness of means, following scale;

Mean Range	Response Mode	Interpretation
4.21 – 5.00	Strongly Agree	Very high
3.41 – 4.20	Agree	High
2.61 – 3.40	Neither agree nor disagree	Medium
1.81 – 2.60	Disagree	Low
1.00 – 1.80	Strongly disagree	Very low

## **Ethical Considerations**

The study take into account ethical consideration; that is the researcher was first seek consent from all prospective participants and then explain to them what the study is all about. It was be made clear to them that the information got will not be disclosed as well as the names of Duterimbere IMF and respondents involved in the study.

## **Limitations of the Study**

The limitations that the researcher encountered during the study include: firstly, the low education level among the MFIs clients rendered the use of self administered questionnaires difficult. The researcher personally administered the questionnaires would spend a lot of time and well trained researcher assistants were used. Secondly, the researcher was met language barrier as majority of clients, except Kinyarwanda, was able to use French. The researcher solved this by using direct translators.

## CHAPTER FOUR

### PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

#### Description of Respondents' Profile

Respondents in this study were women in Duterimbere Microfinance Muhanga Branch in Rwanda and were described according to age, education level, marital status and occupation before joining MFI. Using a closed ended questionnaire, women in the selected MFI were asked to provide information about the said profile characteristics, to which they were required to select one option by ticking. Their responses were summarized using frequencies and percentage distributions as shown in Table 4.1

**Table 4.1:**  
**Description of Respondents' Profile**  
**(n=336)**

Category	Sub-category	Frequency	Percentage
Age	Below 24	14	4
	25-34	151	45
	35 -49	115	34
	50 and above	56	17
	Total	336	100
Level of education	Illiterate	92	27
	Primary Level	170	51
	Secondary level	66	20
	Beyond Secondary level	8	2
	Total	336	100
Marital status	Married	206	61
	Single	12	4
	Widowed	114	34
	Divorced	4	1
	Total	336	100
Occupation before joining MFI	Domestic	126	38
	Agriculture	172	51
	Petty trade	29	9
	Agriculture and Petty trade	9	3
	Total	336	100

**Source:** Field data, 2011

Results in Table 4.1 indicate that majority of women in Duterimbere Microfinance Muhanga Branch (151 or 45%) were aged between 25-34 years, while quite a big number (115 or 34%) were aged 35 – 49 years and very few were below 24 years (14 or 4%) or 50 years and above (57 or 17%). This implies that most women who participate in MFI activities the middle age or above.

Results also showed that majority of the women had only completed primary level of education (170 or 51%), followed by the illiterates (92 or 27%), while very few had reached secondary (66 or 20%) or beyond (8 or 2%). This implies that the level of education of women in Duterimbere Microfinance Muhanga Branch is still low and so needs promotion.

Results further suggest that most women in Duterimbere Microfinance Muhanga Branch have ever been married and currently majority are still married (206 or 61%) and many are widowed (114 or 34%). This implies that these ever or currently married women have responsibilities say of children so they need financial support from MFI. Finally, regarding occupation before joining the MFI, majority were either involved in agriculture (172 or 51%) or doing domestic works (126 or 38%).

### **The Degree of Micro-financing in Duterimbere Muhanga, Rwanda**

The second research question was set to determine the degree of microfinance on women empowerment. In other terms, it can be said that the second research question investigated the degree of influence of the independent variable on women empowerment in the case of Duterimbere Muhanga, Rwanda. In order to answer this research question effectively, the research investigated microfinance aim at expanding women's choice and capacity for self-reliance, MFs help women to send children in school and to improve children nutrition; microfinance has contributing to a women's household income; microfinance has reduced women's' vulnerability to violence; microfinance programs give legal rights support for women; microfinance laws give women same property rights as men; microfinance organizes women and men to

change gender discrimination; microfinance has participated in creating gender-awareness programs; microfinance organizes people on credit opportunities; Microfinance gives training in building capacities to manage money; microfinance engages in gender advocacy; microfinance provides advisors and trainers to help women; women entrepreneurs are linked with other large business by microfinance.

The mean ranges outlined in the Data Analysis (Chapter Three) were used to determine degree of microfinance in empowering the women in the selected area for this study. In this regard, the mean ranges from 4.21 – 5.00 meant that the degree of microfinance in empowering women is very high; mean ranges from 3.41 – 4.20 indicated that the degree is high; mean ranges from 2.61 – 3.40 revealed that the degree is medium; mean ranges from 1.81 – 2.60 portrayed that the degree of micro-financing is low; and lastly, the mean ranges from 1.00 – 1.80 showed that the degree is still very low in the selected area. Information regarding this is summarized in Table 4.2



**Table 4.2:**  
**The Degree of Micro-financing in Duterimbere Muhanga**  
**(n=336)**

	Mean	Std. Deviation	Interpretation	Rank
Microfinance organizes people on credit opportunities	3.78	1.43	High	1
Microfinance has contributing to a women's household income	3.55	1.35	High	2
Microfinance laws give women same property rights as men	3.50	1.47	High	3
Microfinance gives training in building capacities to manage money	3.37	1.39	Medium	4
Microfinance provides advisors and trainers to help women	3.36	1.45	Medium	5
Microfinance organizes women and men to change gender discrimination	3.35	1.48	Medium	6
Microfinance has participated in creating gender-awareness programs	3.30	1.43	Medium	7
Women entrepreneurs are linked with other large business by microfinance	2.98	1.45	Medium	8
Microfinance engages in gender advocacy	2.82	1.37	Medium	9
Microfinance programs give legal rights support for women	2.65	1.38	Medium	10
Microfinance aim at expanding women's choice and capacity for self-reliance	2.59	1.31	Low	11
Microfinance has reduced women's' vulnerability to violence	2.49	1.27	Low	12
MFs help women to send children in school and to improve children nutrition	2.44	1.33	Low	13
<b>Overall Mean Average</b>	<b>3.09</b>		<b>Medium</b>	

**Source:** Primary Source

The indication on the degree of microfinance in empowering women in Table 4.2 portrays that respondents rated most of the items as medium, few of the items were rated highly and very few of them were lowly rated. No item was very highly and very lowly rated in this study. Items that were highly rated included microfinance organizes people on credit opportunities (mean=3.78); followed by microfinance has contributing to a women's household income (3.55) and lastly was on microfinance laws give women same property rights as men (mean=3.50).

The following items used to determine the degree of microfinance in empowering women were rated medium and these include microfinance gives training in building capacities to manage money (3.37); followed by microfinance provides advisors and trainers to help women (mean=3.36); then microfinance organizes women and men to change gender discrimination (3.35); after that is microfinance has participated in creating gender-awareness programs (3.30); then followed by women entrepreneurs are linked with other large business by microfinance (mean=2.98); after which Microfinance engages in gender advocacy (2.82); and lastly, microfinance programs give legal rights support for women (2.65).

However, some of the following items were lowly rated and these included the microfinance aiming at expanding women's choice and capacity for self-reliance (2.59); followed by microfinance reducing women's' vulnerability to violence (2.49) and MFs help women to send children in school and to improve children nutrition (2.44).

The overall information regarding the degree of effectiveness of micro-financing in empowering women suggests that the rate is still at medium with an overall mean average of 3.09. This was got by adding all the mean values indicated in Table 4.2 and dividing it by 13. This therefore suggests that microfinance has not done enough in this area of empowering women socially, politically and economically.

The study findings on the degree of micro-financing in the case of Duterimbere Muhanga also affirms the study findings by Kabeer and (2005); Oxaal and Baden (1997) who all indicated that the level of micro-financing in the developing world is growing gradually though the institution still faces stiff challenges.

### **Extent of Women Empowerment in Duterimbere Muhanga, Rwanda**

The third research question in this study was to explore the extent of women empowerment in the Duterimbere Muhanga, Rwanda. This question was also designed on the dependent variable of the study. In determining the extent of women empowerment in Duterimbere Muhanga, the study investigated increase in MFIS' women clients' income; increase of participation of other family members as women participate more in business; the achievement of finance sustainability of women clients; the level of spending of microfinance by women in income generating activities; the ability of women clients to pay back the loan without borrowing for repayment; the level of changes in women clients' intra-household relations in homes; the level of change in women clients' income changing their behavior in the household and lastly, the extent of women clients getting involved in decision making especially in family planning.

In the same way, the researcher employed the mean ranges outlined in the Data Analysis (Chapter Three) to determine extent of women empowerment in the selected area. Thus, the mean ranges from 4.21 – 5.00 meant that the extent of women empowerment in the selected area is very high; mean ranges from 3.41 – 4.20 indicated that the extent is high; mean ranges from 2.61 – 3.40 shows that the extent of women empowerment is medium; mean ranges from 1.81 – 2.60 shows that the extent of women empowerment is low; and lastly, the mean ranges from 1.00 – 1.80 shows that the extent is still very low in the selected area. Table 4.3 shows the summary on the extent of women empowerment.

**Table 4.3:**  
**Extent of Women Empowerment in Duterimbere Muhanga Rwanda**  
**(n=336)**

	<b>Mean</b>	<b>Std. Deviation</b>	<b>Interpretation</b>	<b>Rank</b>
Women clients' income has changed their behavior in the household	3.56	1.51	High	1
There have been changes in intra-household relations in homes of women clients	3.51	1.41	High	2
MFIS' women clients' income has increased	3.37	1.41	Medium	3
Women clients have achieved financial sustainability	3.14	1.51	Medium	4
Women clients pay back the loan without borrowing for repayment	3.01	1.45	Medium	5
Women clients' decision making has improved especially in family planning	2.97	1.45	Medium	6
Women clients spend most of the microfinance on income generating activities	2.52	1.38	Low	7
Participation of other family members have increased greatly as women participated more in business	2.47	1.34	Low	8
<b>Overall Mean Average</b>	<b>3.07</b>		<b>Medium</b>	

**Source:** Primary Source

The findings in Table 4.3 indicate that respondents rated five of the items out of eight under the extent of women empowerment as medium, two of them as high and one of them is lowly rated. The extent of women empowerment was highly rated on

Women clients' income has changed their behavior in the household (3.56); followed by There have been changes in intra-household relations in homes of women clients (3.51).

Items that are rated as medium under the extent of women empowerment included MFIS' women clients' income has increased (mean=3.37); followed by Women clients have achieved finance sustainability (mean=3.14); then Women clients pay back the loan without borrowing for repayment (3.01), after that is on Women clients' decision making has improved especially in family planning (mean=2.97) and lastly,

However, the item on women clients spending most of the microfinance on income generating activities and participation of other family members have increased greatly as women participated more in business were lowly rated at mean value of (mean=2.52) and (2.47) respectively.

Concerning the overall perception of respondents regarding the extent of women empowerment Duterimbere Muhanga, the overall mean average was computed and this was 3.07 and this fall under medium in the rating scale. This means that the level of women empowerment in the study area though not high has moved from being low.

Comparing the research findings in this study with those with some scholars or experts, it can be said that this research finding is in agreement with those of Oxaal and Baden (1997); Zafar (2002); Kabber (2001); and Cheston and Kuhn (2002) who in one way or another noted that there has been some improvement in the level of women empowerment in many African countries though women still find it hard to compete with men in many social, political and economic spheres.

### **Significant Relationship between degree of Effectiveness of micro-financing and extent of Women Empowerment in Duterimbere Muhanga, Rwanda**

The fourth research question was about the relationship between the two research variables (degree of effectiveness of micro-financing and extent of women empowerment) in Duterimbere Muhanga. The fourth research question was also helpful in answering the null hypothesis in the study that states that there is no significant relationship between degree of effectiveness in microfinance and women empowerment employee in Duterimbere Muhanga. In order to find out the relationship and To achieve the fourth research objective and test the research objective null hypothesis, correlation of the overall mean average of independent variable was done with that of dependent variables. This was done with the help of Pearson's Linear Correlation coefficient (PLCC). The findings regarding the relationship are indicated in Table 4.4

**Table 4.4:**

#### **Significant Relationship between Degree of Micro-financing and Extent of Women Empowerment in Duterimbere, Muhanga District**

<b>Correlated Variables</b>		<b>Micro-financing</b>	<b>Women Empowerment</b>	<b>Interpretation</b>	<b>Decision on Ho</b>
Micro-financing	Pearson Correlation		0. 776	Significant relationship	Rejected Ho
	Sig. (2-tailed)		0. 01		
	N	13	8		
Women Empowerment	Pearson Correlation	0. 776		Significant relationship	
	Sig. (2-tailed)	0. 01			
	N	8	13		

**Source:** Primary Data

A critical outlook at the findings presented in Table 4.4 illustrates that there is a positive significant relationship between the degree of effectiveness of microfinance and extent of women empowerment in Duterimbere Muhanga, in Rwanda. The positive significant relationship between the two research variables is indicated by r-value of .776 and small sig. value of 0.100. Considering these findings, the study rejected the null research hypothesis that stated that there is no significant relationship between the two research variables. Hence, the study affirms that there is significant relationship between the degree of micro-financing and women empowerment in the case of Duterimbere, Muhanga District.

In order to determine the strength of relationship between micro-financing and the degree of women empowerment in the case of Duterimbere, Muhanga District, the study carried out regression co-efficient analysis. This is demonstrated in Table 4.5

**Table 4.5:**

**Model Summary of Effectiveness in Micro-financing as Predictor of Women Empowerment in Duterimbere, Muhanga District**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.776	.771	.771	.1268		
ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	616.913	1	616.913	38386.157	.010
	Residual	5.368	334	1.607E-02		
	Total	622.281	335			

a. Predictors: (Constant), Micro-financing

b. Dependent Variable: Women Empowerment

Considering the presentation in Table 4.5, it can be noted that both model summary and ANOVA were used. This was done so as assess the degree or strength of

relationship between the degree of effectiveness of micro-financing and the extent of women empowerment. Table 4.5 therefore suggests that the degree or strength of relationship between degree of effectiveness micro-financing and extent of women empowerment is strong. This has been shown by the R-value of .799 measured in regression model analysis. The impression one can get from this regression model analysis is that any variation or improvement in the degree of effectiveness of micro-financing positively influences the extent of women empowerment.

The same analysis was also determined by use of R-Square value. Therefore, the R-Square value suggests that any degree of improvement in micro-financing especially to women clients is likely to enhance the extent of women empowerment by 77.1 percent. The same value was given by Adjusted R-Square Value at 771 indicating that the relationship between micro-financing and women empowerment based on the R. Square was accurate.

The degree of strength between the study variables also gave a similar result in that it also affirms that there is significant relationship between micro-financing and women empowerment in the selected area of study. This was affirmed by F value 38386.157 at the 0.01 level of significance. Therefore, these findings meant that the null research hypothesis is actually wrong as the study finally stated there is significant relationship between micro-financing and women empowerment in the case of Duterimbere Muhanga.

These findings are in agreement with Fisher (2002) who articulated in his studies that micro-financing greatly contributes to women's household income hence empowering them socially, economically and politically. This has been based on the studies carried out on improvements of the microfinance women clients in the areas of health care, nutritional advice and education as well as women in decision making process.



of micro-financing in the study area was in line with the research findings by Marguerite (2002); Mayoux (2001); Harper and Malcolm (2002) and Barnasek (2003) who indicate in their studies that much as the level of micro-financing in many developing countries has improved, it has not yet reached in its higher degree.

The findings regarding the extent of women empowerment in Duterembere in Muhanda District, the description of findings indicate that the extent of women empowerment is still at medium in the areas of social, political and economic with an overall mean average of 3.07. Aspects that were rated at medium included women clients' income having increased; followed by Women clients achieving finance sustainability; then women clients being capable of paying back the loan without borrowing for repayment; women clients' role in decision making being improved especially in family planning and lastly, women clients spending most of the microfinance on income generating activities. This research finding is in agreement with those of Oxaal and Baden (1997); Zafar (2002); Kabber (2001); and Cheston and Kuhn (2002) who in one way or another noted that there has been some improvement in the level of women empowerment in many African countries though women still find it hard to compete with men in many social, political and economic spheres.

Correlation to determine the significant relationship between degree of micro-financing and extent of women empowerment in Duterimbere in Muhanga District indicates a positive significant relationship between the degree of micro-financing and extent of women empowerment with a high r-value of 0.776 and a small sig. value of 0.010. This finding is also in agreement with that of UNDP (2007); Momsen (2004); MIFOTRA (2006) and Kaber (2005) who in their studies noted that women clients of microfinance institutions better empowered than their counterparts as they play greater roles in making some of the social and economic decision especially in their homes.

## CONCLUSIONS

Basing on the above findings of the study, the researcher generated the following conclusions. These conclusions were based on the each research objective.

Most of the women clients of the selected microfinance institution were their youthful age, married and were actively involved in agricultural activity. Basing on their education, most of them were lowly educated.

The degree of micro-financing in the area of the study is still at medium. This is so since microfinance could offer some limited training in building women's capacities to manage money; microfinance provides some advisors and trainers to help women; microfinance organizes women and men to change gender discrimination; microfinance has participated in creating gender-awareness programs; women entrepreneurs are sometimes linked with other large business by microfinance; microfinance is sometimes engaged in gender advocacy; some of the microfinance programs give legal rights support for women; and lastly, microfinance aim at expanding women's choice and capacity for self-reliance. However, few of the aspects to determine degree of micro-financing are already high in the area of study and this is microfinance organizing people on credit opportunities; microfinance contributing to a women's household income; and lastly microfinance laws giving women same property rights as men. The items to measure the degree of micro-financing and are still lowly in the area of study include microfinance reducing women's' vulnerability to violence and microfinance helping women to send children in school and to improve children nutrition.

The extent of women empowerment in Duterimbere in Muhanga District indicates that the extent is still at medium. This is because at medium level MFIS' women clients' income has increased; women clients have achieved finance sustainability; women clients pay back the loan without borrowing for repayment, women clients' decision making has improved especially in family planning; and lastly,

Women clients spend most of the microfinance on income generating activities. At least women empowerment is now highly rated in women clients' income changing their behavior in the household and changes in intra-household relations in homes of women clients being witnessed however, extent of women empowerment is still lowly rated in participation of other family members being increased greatly as women participated more in business.

Basing on correlation results, the researcher concludes that accessing the loans from microfinance by women increases their income, their participation in business, helped them make decisions in both social and economic issues in their families. In this case, if MFI can increase their level of micro-financing to women, their extent of empowerment is also likely to increase in both social and economic areas.

According on the results, the null hypothesis that stated is rejected since findings indicated that degree of micro-financing positively influences the extent of women empowerment in economic, political and social aspects. These results imply that since most of the women had no source of credit prior to joining MFI, their perceptions on the contributions of MFI significantly differ from their counterparts who had credit sources such as private money lenders, relatives or friends. Those who had no source view their joining of MFI as a rescue and so have had significant contributions towards their empowerment.

All in all, the delivery of microfinance had positive impacts in the economic empowerment of the clients, although the income increases were small. Participation in microfinance has also enhanced the women's self-confidence and enabled them to realize their potentials to engage in business and improve the household which is positive sign of empowerment.

## **RECOMMENDATIONS**

This section deals with recommendations arising from the pertinent findings and conclusions of this study, following the study objectives and research questions, for which the following recommendations are made;

- i) Basing on the findings, show that Education level still low to the women client of Duterimbere IMF, women's limitation reason of MFI are high interest rates, small loan sizes and repayment policy so they need to check themselves on all these aspects if they are to make bigger contributions towards women empowerment. Same initiatives need to be taken in order to facilitate the process of women empowerment. Market potential need then to be improved and there is also need of skills development for adult women especially those who did not get the chance to access formal education. It would be even better if a kind of national curriculum in different activities could be developed targeting people who needs same practical skills but who cannot go back to formal schools.
- ii) For Government: Government statistical offices and their partners are key players in collecting, analyzing and disseminating key information. It is recommended that attention be paid to collect sufficient and detailed gender statistics on the micro and small enterprises and should create the centre training concerning building the knowledge to women on how to start small business and on how their can manage their income. Improving vocational and technical education and training is an effective way of generating dynamic entrepreneurs. Girls' and women's participation in technical vocational education is low in many in Rwanda. There is the need to transform the gender segregated approach to vocational and technical training in which girls and women are trained in traditional occupations such as knitting, cooking and others. Skills training programs need to be developed in conjunction with the labor market.

- iii) MFI must check themselves on all these aspects if they are to make bigger contributions towards women empowerment. This can be best done by making assessment about the capability of clients and get an opinion on what they really want. However, there must be an optimal rate, which is not too high and at the same time not too low cover the operating costs. There is also a need for flexibility in scheduling of loan repayments.
- iv) Ensuring access to micro-credits and training to women alone is not a panacea to Women's business growth. Projects that support women's micro and small entrepreneurship need to take into account the various gender related challenges as summarized above, including time burden, lack of intra-household decision making power, low technology, limited access to markets and resources and limited supportive environment. Efforts should be made by government and MFIs to empower women through various leadership programs that build women's ability to progress in the businesses.
- v) For the Further research, the results seem to indicate that the minimalist microfinance approach is not sufficient. Additional services like deposits, saving, money transfers, insurance to poor and other activities over and above microfinance programs that merely focus on financial services are also an important determinant of the degree of its contribution on the empowerment process of women. Future research needs to identify which factors in MFIs programs have a greater impact on women's empowerment.

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[WWW.geocities.com/microcredit.htm](http://WWW.geocities.com/microcredit.htm)

[www.microfinance.gateway](http://www.microfinance.gateway)

## APPENDICES

### APPENDIX A: TRANSMITTAL LETTER



Ggaba Road - Kansanga  
P.O. Box 20000, Kampala, Uganda  
Tel: +256- 41- 266813 / +256- 41-267634  
Fax: +256- 41- 501974  
E- mail: admin@kiu.ac.ug,  
Website: www.kiu.ac.ug

**OFFICE OF THE COORDINATOR, BUSINESS AND MANAGEMENT  
SCHOOL OF POSTGRADUATE STUDIES AND RESEARCH (SPGSR)**

January 29, 2011

Dear Sir/Madam,

**RE: REQUEST FOR KAGOVIRE EMILIENNE MBA/20042/82/DF  
TO COUCT RESEARCH IN YOUR ORGANIZATION**

The above mentioned is a bonafide student of Kampala International University pursuing a Masters of Business Administration (Banking and Finance).

She is currently conducting a field research of which the title is "**Microfinancing and Women Empowerment in Duterimbere Muhanga Branch, Rwanda**" as part of her research work; she has to collect relevant information through questionnaires, interviews and other relevant reading materials.

Your organization has been identified as a valuable source of information pertaining to her research project. The purpose of this letter is to request you to avail her with the pertinent information she may need.

Any information shared with her in your organization. Rest assured the data you provide shall be treated with utmost confidentiality.

Any assistance rendered to her will be highly appreciated.

Yours truly,

Mr. Malinga Ramadhan  
Coordinator  
Business and Management (SPGSR)



## APPENDIX B: AUTHORIZATION LETTER FROM DUTERIMBERE IMF



**DUTERIMBERE - IMF, S.A.**

Agréée par la Banque Nationale du Rwanda

Kigali, le 01/06/2011  
Réf. Dut-Imf-SAM-8516.N

Mademoiselle KAGUYIRE Emilienne  
Tél.: +250788566580  
KIGALI

Objet : Réponse à votre lettre

Mademoiselle,

Par la présente vous êtes autorisé à mener vos recherches au sein de DUTERIMBERE – IMF, SA comme vous l'avez souhaitée.

Ainsi Mademoiselle, vos recherches doivent strictement rester dans le cadre de vos études académiques et toute publication doit être autorisée par DUTERIMBERE – IMF, SA.

Franche collaboration.



**NGAMIJE Delphin**  
Directeur Général  
de DUTERIMBERE – IMF, S.A

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B.P: 6719 Kigali - Rwanda, Tél: 570129, Fax: 572184  
E-mail: dut-i.m.f@rwanda1.com

## APPENDIX C: TIME FRAME

Time/ Activity	January 2010				February 2011				March 2011				April 2011				May 2011				Jun 2011			
	Weeks				Weeks				Weeks				Weeks				Weeks				Week			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Topic definition																								
Proposal submission																								
Literature review																								
Decision on methods of data collection																								
Preparation of materials for data collection																								
Data collection																								
Data organization for analysis																								
Data analysis																								
Writing up results																								
Report submission																								

## APPENDIX D: BUDGET

No	Item \Activity	Quantity	Unit cost (US\$)	Total cost (US\$)
1	Communication		10	100\$
2	Travel	-	-	300\$
3	Printing and binding	-	-	250\$
4	Secretarial services			100\$
5	Equipment and stationery			100\$
6	Subsistence			500\$
7	Miscellaneous			150\$
General Total			1500\$	
One Thousand five Hundred US Dollars (US\$ 1500).				

**APPENDIX E: QUESTIONNAIRE that will be address for Women clients of  
DUTERIMBERE MFIs**

Dear Sir or Madam: I am called KAGOYIRE Emilienne MBA/20031/92/DF, a student of Kampala International University pursuing a Masters in Business Administration.

I am carrying out a research study on “**Microfinancing and women empowerment in Duterimbere IMF Rwanda**”, you have been selected to participate in this study and therefore, kindly requested to answer the questions below.

The information given here in will be solely for academic purposes and will be treated auto most confidentiality. Thanks for your valuable time.

**Section A: Demographic profile.**

1. Demographic data

(a) Age

Below 24\_\_\_\_ 25-34 years\_\_\_\_ 35-49 years\_\_\_\_ 50 and above\_\_\_\_

(b) Level of education

Illiterate\_\_\_\_ Primary Level\_\_\_\_ Secondary level\_\_\_\_ Beyond Secondary level\_\_\_\_

(c) Marital status

Married\_\_\_\_ Single\_\_\_\_ Widowed\_\_\_\_ Divorced\_\_\_\_

(d) Your occupation before joining MFI?

Domestic\_\_\_\_ Agriculture\_\_\_\_ Petty trade\_\_\_\_ Agriculture and Petty trade\_\_\_\_



**Direction:** Please write preferred option on the space provided before each item.

Kindly use the rating guide below:

Rating	Response Category	Description
5	Strongly agree	you agree with no doubt at all
4	Agree	you agree with some doubt
3	Neither disagree nor agree	no comment or you provide nothing
2	Disagree	you disagree with some doubt
1	Strongly disagree	you disagree with some doubt

**SECTION B: Degree of Effectiveness of Micro-financing women in  
Duterimbere**

- \_\_\_\_\_ 1. Microfinance aim at expanding women's choice and capacity for self-reliance
- \_\_\_\_\_ 2. MFs help women to send children in school and to improve children nutrition
- \_\_\_\_\_ 3. Microfinance has contributing to a women's household income
- \_\_\_\_\_ 4. Microfinance has reduced women's' vulnerability to violence
- \_\_\_\_\_ 5. Microfinance programs give legal rights support for women
- \_\_\_\_\_ 6. Microfinance laws give women same property rights as men
- \_\_\_\_\_ 7. Microfinance organizes women and men to change gender discrimination
- \_\_\_\_\_ 8. Microfinance has participated in creating gender-awareness programs
- \_\_\_\_\_ 9. Microfinance organizes people on credit opportunities
- \_\_\_\_\_ 10. Microfinance gives training in building capacities to manage money
- \_\_\_\_\_ 11. Microfinance engages in gender advocacy
- \_\_\_\_\_ 12. Microfinance provides advisors and trainers to help women
- \_\_\_\_\_ 13. Women entrepreneurs are linked with other large business by microfinance

### **SECTION C: Extent of Women Empowerment in Duterimbere**

- \_\_\_\_ 14. MFIS' women clients' income has increased
- \_\_\_\_ 15. Participation of other family members have increased greatly as women participated more in business
- \_\_\_\_ 16. Women clients have achieved finance sustainability
- \_\_\_\_ 17. Women clients spend most of the microfinance on income generating activities
- \_\_\_\_ 18. Women clients pay back the loan without borrowing for repayment
- \_\_\_\_ 19. There have been changes in intra-household relations in homes of women clients
- \_\_\_\_ 20. Women clients' income has changed their behavior in the household
- \_\_\_\_ 21. Women clients' decision making has improved especially in family planning

**Thank you for your valuable time!**

## APPENDIX F: Formula

The sample will select using formula:  $n = \frac{N}{1+N(e)^2}$

Where  $n$  = sample size

$N$  = population

$1$  = constant and  $e^2$  = level of significance 0.05

The conventional confidence level of 95% was used to ensure a more accurate result from the sample. Based on this, the error term would equal to 0.05. Using the total population of 2105 and error margin of 0.05, the sample size was calculated as follows.

Women client of the select MFIs:  $n = \frac{N}{1 + N(e)^2}$

$$n = \frac{2105}{1 + 2105(0.05)^2}$$

$$n = \frac{2105}{1 + 2105(0.0025)}$$

$$n = \frac{2105}{6.2625}$$

$$n = 336$$

## **APPENDIX G: RESEARCHER'S CURRICULUM VITAE**

### **Personal Profile**

Name: KAGOYIRE

Surname: Emilienne

Date of Birth: 20<sup>th</sup> August 1979

Place of Birth: BURUNDI

Residence: KIGALI-KIMIHURURA

Sex: Female

Nationality: RWANDAISE

Status: SINGLE

Contact Address: +250788566580 or +250722566580 or +256785607066

E-mail: [emilyka@yahoo.fr](mailto:emilyka@yahoo.fr)

### **Educational Background**

**2009-2011:** Master Degree Candidate at Kampala International University (KIU) in MBA

**2003-2005:** University Laïque Adventist of Kigali (UNILAK); Bachelor Degree in Management and Finance

**2001-2003:** University Adventist of centre African (UAAC); A Level Certificate in Management and Account

**1995-2000:** Association of parent of Mont Kigali (APACE); Diploma in Commerce and Account

**1987-1993:** Primary School in Burundi

## Work Experience

**2006-2009:** Control Manager in Confiance Petroleum

**2010-2011:** Director Manager in Sport view Apartment

## Languages

KINYARWANDA, FRENCH, ENGLISH AND SHWAHILI

## Computer Skills

Word, Excel, Sage, Access and Power Point

## Research Work

I conducted a research of the Thesis entitled” **Effects of Microfinance Institutions on women empowerment in Duterimbere IMF Muhanga Branch, Rwanda**”.

I Published a research dissertation on the topic entitled “**Contribution a l’Etude du profile Entrepreneurial des Etudiant Finaliste**” that was submitted to the Faculty of Finance and Management at UNILAK, Year 2006

## Extracurricular Activities

Praise and Worship, visiting Patients to the Hospital and helping vulnerable children

I certify that, to the best of my knowledge and belief, all of the information in this curriculum vitae is true, correct and complete and made in good faith.

**Signature**.....

**Date** .....

**KAGOYIRE Emilienne**

H011  
K119  
2011  
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