

# ASSESSMENT OF THE INFLUENCE OF FINANCIAL FACILITIES ON ECONOMIC EMPOWERMENT OF WOMEN IN SUMBAWANGA DISTRICT, RUKWA REGION, TANZANIA

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**Abstract:** The study analyzed the influence of financial facilities on women economic empowerment in Sumbawanga district. The study applied survey research design using quantitative approach. The target population were women aged above 25 years of age in Sumbawanga District Council. The respondents of the study were selected using simple random sampling technique. Data were collected using questionnaire. The reliability of the questionnaire was tested using Cronbach's alpha coefficient. Validity was determined using expert judgement. Data were analyzed using descriptive statistics by applying average mean scores. The findings of the study revealed that financial facilities influence economic empowerment of women. Based on the study it was recommended that, women empowerment activists and governments should strive to empower women through promoting access to financial facilities in order to enable women access sources of capital for businesses start-ups and be able to sustain their families. The study further recommends future researchers to research other factors that determine economic empowerment other than financial factors in Sumbawanga district council.

**Keywords:** Women Economic Empowerment, Financial facilities.

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## 1. INTRODUCTION

Gender inequalities can be attributed to limited access to financial facilities, limited access to productive resources, limited access to financial services and limited access to technology and other constraints limiting employment options and participation in decision-making (UNDP, 2022). Women economic empowerment has gained great attention among policy and development stakeholders (Moindi, 2012, OECD,2020, UNDP, 2022). Women empowerment refers to the state of individual and collective increased economic advancement, access to power, agency, and control of economic resources and participation in key economic decisions (USAD, 2021). Economic empowerment considers women involvement in labour market, women contributions recognition, respect of their dignity and fair sharing of economic resources. Women empowerment has a number of benefits to the society and the economy which include; better off women, happier women, prosperous economy (OECD, 2018; OECD,2020).

Investing in women in all economic empowerment diversity is investing in their community and countries. The SDG urges all its member states to promote gender equality and empowerment of women as a best way to fight hunger, poverty, diseases and unsustainable development (UNDP, 2022). Persistent gender disparity hinders access, ownership and control of economic resources among women (Moindi, 2012, USAID, 2021). This leads to social insecurity, low quality of life, sense of powerlessness and lack of life opportunities. When women are granted access to economic resources, education, decent livelihood, managerial and leadership opportunities their economic empowerment and economic wellbeing are achieved (USAID, 2021).

Historically, gender inequality has been a global burning issue. In USA research indicates that, the average full-time year-round income of men is higher than women. In Nordic Countries, they have been champions of gender equality for long. In every four working women, three are employed. In Iceland, Sweden, Denmark and Norway women employment accounts to 10% to 20% of the GDP over the past 40 to 50 years. Despite Nordic countries being ranked the champions, yet gender equality is not fully achieved (OECD, 2018). Occupational sex-segregation still persists and foreign born-women are still underrepresented, while women finding it difficult to attain top managerial position (OECD, 2016; OECD, 2020). In Ghana, a number of efforts have been undertaken aimed at addressing gender inequality. Such efforts include adoption of International Protocols such as CEDAW, Beijing Platform for Action, Ghana 1992 constitution requiring to implement a strategy for addressing gender inequality. Despite taking all these efforts, still Ghana has high level of inequality, for example in 2008 Ghana General Election, only 19 seats (8.3%) were won by women out of 230 seats, while their counterparts winning 211 seats (91.7%). Similarly, in the 2012 Ghana general election, 28 seats (10.2%) were won by women out of 275 seats (Addo, 2018).

In Kenya, gender inequality remains pervasive with less representation in decision making, access to ownership and control of land, less access to education and employment opportunities (USAID, 2022). In Tanzania gender inequality level persists in all its diversity. Economic exclusion is big among women and most top positions are held by men. The drivers of economic exclusion of women in Tanzania are time poverty (due to spending of much time on household), lack of access to financial services, lack of ownership to property, lack of education, reproductive health pressures, culture that women's role is household and children caring and lack of access to business development services (Idris, 2018, USAID, 2022). Despite having all these inequalities, less studies have been conducted on addressing this and to the knowledge of the researchers no single study conducted in Sumbawanga district. This study, therefore bridges the gap by analyzing the influence of financial facilities on women economic empowerment in Sumbawanga District, Rukwa, Tanzania.

## STATEMENT OF THE PROBLEM

Lack of access to finance and control of economic resources is the major cause of gender inequality in Africa. (Idris, 2018, Moindi, 2012, USAID, 2021,). The socio economic and political implications have also been repeatedly highlighted that domestic laws have also prevented women from achieving full economic empowerment. (Christopherson, K, Yiadom, A., Johnson, J., Fernando, F., Yazid H., & Thiemann C. 2022). Furthermore, Majority of African women fail to own land due to tradition which grants rights of land ownership to men and women being considered as household caretakers. Hence, women are discriminated and their roles in alleviating poverty, inequality, hunger and justice is not well understood (Addo, 2018). This has caused majority of the poor being women (USAID, 2021). As a consequence, it damages their health and hinders their involvement in economic activities (USAID, 2021, Women Deliver, 2018). Studies have been conducted on women empowerment; however, the researcher did not find a study carried out on the influence of financial facilities on women economic empowerment in Sumbawanga district. Therefore, the aim of this study is to fill the gap, analyzing the influence of financial facilities on women economic empowerment in Sumbawanga district, Rukwa.

## 2. LITERATURE REVIEW

### Theoretical Literature Review

The study applied the Theory of Change for Gender Equality and Women Empowerment by Manbub, 2021. The theory states that, the existing inequalities between men and women should be addressed. The thematic areas of the theory are; increasing poverty on women, unequal access to education, inequalities and inadequacies on accessing health services, violence towards women and lack of access to productive resources and inadequacy of other kinds of mechanisms that support women to advance, discrimination (UN-Women, 2017). The theory was applied in this study by using it to explore the influence of financial facilities on women empowerment in Sumbawanga district council, Rukwa. This theory helped to focus on key issues towards women empowerment as stipulated in the theory such as access to access to financial facilities.

### Empirical Literature Review

Microfinance institutions, particularly microcredits, are regarded as a tool for promoting empowerment. Women require access to a broad range of credit, banking, and financial services and facilities to transition their income-generating activities from survival level to strong and successful companies. This is necessary to fully develop their productive assets, land, and businesses (OECD, 2011, USAID, 2021, USAID, 2022).

According to International Labour Organization (2008), Microfinance institutions enable women from low-income families to access finance that help them to start businesses for sustaining the lives of their families. Microfinance services contribute to women's empowerment by increasing their decision-making capacity and improving their socioeconomic condition. According to an ILO conference document delivered in Geneva in 2008, microfinance services have reached over 79 million of the world's poorest women by the end of 2006. As a result, microfinance has the potential to contribute significantly to gender equality by promoting sustainable livelihoods and improved working conditions for women. Women account for 70% of the world's impoverished. Women, on the other hand, have long been denied credit and other financial services (USAID, 2021). Women make up a major and rising component of the informal economy, whereas commercial banks frequently focus on males and formal firms. Microfinance, on the other hand, frequently and in some cases solely targets women. Eighty-five percent of the lowest microfinance customers contacted are women. As a result, prioritizing female borrowers makes sense in terms of public policy. Focusing on female clientele has a strong commercial justification, as female clients have greater payback rates. They also devote a bigger percentage of their earnings to household spending than their male colleagues. Targeting female borrowers thus has a strong business and public policy argument.

Microfinance institutions therefore contributes significantly to the achievement of the Millennium Development Goals (ILO, 2008, Addo, 2018). Women's position in the family has clearly increased, particularly when they have become successful entrepreneurs. Even if the economic impact has been minor or males have used the loan, the fact that microfinance programs consider women to be valuable assets in the home may provide some women additional bargaining leverage. Savings provide a method for women to accumulate assets. Women cherish the potential to be viewed as contributing more to home well-being, which gives them more confidence and self-worth.

In many countries, women's access to bank loans and other types of property is likewise limited. Other than land, women in Afghanistan and Papua New Guinea have no access to property. Women are frequently dependent on their husbands, dads, or siblings throughout their lives due to a lack of economic rights in terms of asset access and ownership. This economic marginalization limits female autonomy in a variety of areas, from work and education to reproductive decision-making and the capacity to flee violent circumstances (I-PEOPLE, 2011).

According to Addai (2017) study, carried out in Ghana, access to financial facilities enhances women economic empowerment. The study findings confirmed that, microfinance services impact women socially and economically. The study noted a significant relationship between microfinance services and women economic empowerment. The study applied non-probability sampling using purposive sampling to collect qualitative data and questionnaire was used to collect quantitative data. The study therefore confirmed that microfinance outreach programs accelerate economic and social empowerment of women in Ghana.

Study by Burke, Rabinovich and Cschaner (2020) in Kenya confirmed that financial services increase women economic resilience and enables them to have power of decision making and shift from gender-based violence. The study also confirmed that, financial services enables women to do away from dependence on husbands and have a great sense of self, wellbeing of women. The study applied quantitative research approach using questionnaire to collect data from the respondents.

Findings by Saleh (2019) on a study conducted in Tanzania noted that financial facilities offered by women by banks play a vital role in enhancing women empowerment by enabling them to engage in businesses. The identified financial services are loans services and business related training. These services were argued to impact women positively. The study objective was to find out the impacts of women bank on economic empowerment of women in Tanzania, a reference of Kigamboni Municipality. Data were gathered from primary and secondary sources using questionnaire, interviews and documentary review. Data were analyzed using both qualitative and quantitative techniques using percentages.

### 3. RESEARCH METHODOLOGY

To achieve the objectives of the study, survey research design was applied. The study was conducted in Simbawanga District Council in four wards out of 27 wards. The sample size of the study was 387 respondents. Data were collected using questionnaire. The questionnaire was closed ended distributed to the women at Sumbawanga districts and it was administered by applying drop and pick. The target population were women aged between 25 years of age and above. The study applied multiple sampling techniques. The representative wards were chosen using cluster sampling. Cluster sampling was used by grouping the population into small sub-groups. The clusters were created using wards, and after clustering the population into wards, systematic sampling was applied to select every 4<sup>th</sup> ward to be used in the study.

Data were analyzed using descriptive statistics by applying average mean scores using Likert scale to interpret the findings with the help of Statistical Package for Social Science (SPSS) version 21 in analyzing the data. Validity was ensured using expert judgment where as reliability was confirmed by a Cronbach's alpha of 0.71

#### 4. FINDINGS

##### The Influence of Financial Facilitates Towards Economic Empowerment of Women

The researcher attempted to find out the influence of financial facilities on women economic empowerment in Sumbawanga district, Rukwa, Tanzania. The summary of the results has been presented in table 1. based on the respondents feedbacks. The analysis was made using descriptive by applying mean score. The results on the influence of financial facilities on women economic empowerment are presented in table 1.

**Table 1: The Influence of Financial Facilitates Towards Economic Empowerment of Women in Sumbawanga District Council**

S/N	Mean	Interpretation
1. Availability of finances to women increases the economic independence of women in their homes	4.1150	Agree
2. Economic involvement raises women's income and elevates their standing in society	4.0885	Agree
3. Microcredit is frequently regarded as a tool for promoting empowerment	3.8289	Agree
4. Microfinance enables women from low-income families to grow economically	4.4838	Strongly agree
5. Microfinance services contribute to women's empowerment by increasing their decision-making capacity	4.4749	Strongly agree
6. Microfinance services contribute to women's empowerment by improving their socioeconomic condition	4.2006	Strongly agree
7. Microfinance has the potential to contribute significantly to gender equality by promoting sustainable livelihoods	4.4484	Strongly agree
8. Microfinance has the potential to contribute significantly to gender equality by promoting improved working conditions for women	4.1947	Agree
<b>Average</b>	<b>4.2</b>	<b>Strongly Agree</b>

Source: Field data, 2022

With regards to item 1 whether availability of finances to women increases the economic independence of women in their homes an average mean of 4.1 was obtained indicating agree. With respect to item 2 on whether economic involvement raises women's income and elevates their standing in society a mean score of 4.08 was attained indicating agree.

Item 3 was agreed with a mean score of 3.8 that, microcredit is frequently regarded as a tool for promoting empowerment. Item 4 was strongly agreed that with a mean score of 4.4 that, microfinance enables women from low-income families to grow economically. With respect to item 5 on whether microfinance services contribute to women's empowerment by increasing their decision-making capacity a mean score of 4.4 was attained indicating strongly agree. Also, item 6 was strongly agreed with a mean score of 4.4 that, microfinance services contribute to women's empowerment by improving their socioeconomic condition. Furthermore, item 7 was strongly agreed that, microfinance has the potential to contribute significantly to gender equality by promoting sustainable livelihoods with mean score of 4.4.

Item 8 was agreed that, microfinance has the potential to contribute significantly to gender equality by promoting improved working conditions for women with a mean score of 4.1.

Similarly, qualitative data supports that, financial facilities influences women economic empowerment. Majority of the interviewees 9 (90%) accepted that, financial facilities influence economic empowerment of women. Out of the interviewed respondents, one stated that, "Women with good financial status tend to be respected at families due to their economic independence and decision making". Subsequently, 10 (100%) of the respondents stated that, financial facilities enable to increase the income of women. On the other hand, 6(60%) respondents claimed that, access to financial facilities such as credits enables women to start various economic activities. One of the interviewees who owns a shop for selling general supplies stated that, "The business that, I own was scaled using credit facilities, before then the business was very small".

The findings are in harmony with OECD (2011, 2021) that state that, microfinance, particularly microcredits, is frequently regarded as a tool for promoting empowerment. It can assist disadvantaged women smooth consumption flows and send their children to school while also stabilizing their livelihoods and expanding their choices. Women require access to a broad range of credit, banking, and financial services and facilities to transition their income-generating activities from survival level to strong and successful companies. This is necessary to fully develop their productive assets, land, and businesses. The findings are further supported by International Labour Organization (ILO, 2008) that microfinance enables women from low-income families to make this contribution. Microfinance, defined as the long-term supply of financial services to the poor, uses lending, savings, and other products such as micro-insurance to assist families in taking advantage of income-generating activities and managing risk. Microfinance benefits women in particular since many microfinance organizations cater to women. ILO claims that, Microfinance services contribute to women's empowerment by increasing their decision-making capacity and improving their socioeconomic condition. According to an ILO conference document delivered in Geneva in 2008, microfinance services have reached over 79 million of the world's poorest women by the end of 2006. As a result, microfinance has the potential to contribute significantly to gender equality by promoting sustainable livelihoods and improved working conditions for women. Women account for 70% of the world's impoverished. Women, on the other hand, have long been denied credit and other financial services. In same line, the findings match with ILO (2008) that, microfinance programs consider women to be valuable assets in the home may provide some women additional bargaining leverage. Savings provide a method for women to accumulate assets. Women cherish the potential to be viewed as contributing more to home well-being, which gives them more confidence and self-worth. Also, I-PEOPLE (2011) supports that, economic marginalization limits female autonomy in a variety of areas, from work and education to reproductive decision-making and the capacity to flee violent circumstances, indicating that once empowered through financial access they can be empowered to participate in ownership of property, grow economically, increase their decision making, create gender equality and promote improved working condition for women.

## 5. CONCLUSION

With regards to item 1 whether availability of finances to women increases the economic independence of women in their homes an average mean of 4.1 was obtained indicating agree. With respect to item 2 on whether economic involvement raises women's income and elevates their standing in society a mean score of 4.08 was attained indicating agree.

Item 3 was agreed with a mean score of 3.8 that, microcredit is frequently regarded as a tool for promoting empowerment. It 4 was strongly agreed that with a mean score of 4.4 that, microfinance institutions enable women from low-income families to grow economically. With respect to item 5 on whether microfinance services contribute to women's empowerment by increasing their decision-making capacity a mean score of 4.4 was attained indicating strongly agree. Also, item 6 was strongly agreed with a mean score of 4.4 that, microfinance services contribute to women's empowerment by improving their socioeconomic condition. Furthermore, item 7 was strongly agreed that, microfinance has the potential to contribute significantly to gender equality by promoting sustainable livelihoods with mean score of 4.4.

Item 8 was agreed that, microfinance has the potential to contribute significantly to gender equality by promoting improved working conditions for women with a mean score of 4.1.

## 6. RECOMMENDATIONS

Based on the study, recommendations are made to the following stakeholders; women empowerment activists/civil societies, policymakers and researchers. Recommendations are as follows to various groups;

Women empowerment activists/civil societies – Organizations and activists dealing with women empowerment should make possible that they educate women to understand their rights for education, financial services and participation in political activities.

Policymakers – Policy makers developing policies on empowerment should make policies that set the government approaches on empowering women through education, financial facilities, political representation and culture that supports women to engage in various social-economic and political activities.

Researchers - Researchers doing related study should assess the influence of self-help group on women economic empowerment. Also, the future studies should assess the non-financial challenges hindering women empowering and their solutions in Sumbawanga district council, Rukwa.

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