

The role of Microfinance Institutions in Improving the Economic Status of Women in Tanzania: The Case Study of PRIDE TANZANIA (Arusha Branch)

Tiberius P. Mlowosa^{*}, Natalia Kalimang'asi^{**}, and Bundala Dodo Mathias^{**}

^{*}Mwalimu Nyerere Institute of Management and Administration (MNIMA) – Dar es Salaam- Tanzania

^{**}Local Government Training Institute (LGTI) – Dodoma -Tanzania

Abstract- The roles of Micro finance institution is to provide small loans to their clients, creation of employment opportunities, capacity building to borrowers by offering different skills such as use of loans, entrepreneurship and managerial skills. The research intended to examine the role played by financial institution's operations in improving the economic status of women in Tanzania through provision of soft loans, by taking PRIDE TANZANIA-Arusha as a case of study basing on the fact that women are the poorest amongst the world's poor people.

Both primary and secondary data were collected. Primary data was collected by questionnaires, interviews and observation for 100 women respondents whereby Secondary data were obtained from books, journals, research reports, news papers, dissertation and Inter-net website. Responses from interviewees were coded and analyzed by using Statistical Package for Social Science (SPSS) tool. Results from the analysis showed that majority of loan beneficiaries(83.0%) use loans for invest in business and 65.0% of respondents use the profits generated from Pride Tanzania to meet family needs. This implies that most PRIDE TANZANIA loan beneficiaries invest their loan received in business Nearly three quarter of respondents (68.0%) said that they have managed to improve their standard of living after receiving PRIDE TANZANIA loans and the rest said that they have experienced an increase in consumption. Findings from this study proved that microfinance (PRIDE TANZANIA) operations works among the poor people. Furthermore, findings evidenced that women economic status in the community changed from living in difficulties to a better life. The researchers recommends to the policy formulating organs to institute appropriate interventions that will enable easy accessibility of provision of small soft loans to make poor rural people get out of poverty.

Index Terms- Microfinance institutions, Loans, Women economic Empowerment

I. INTRODUCTION

Tanzania got its independence in 1961. Soon after independence Tanzania declared war against three development enemies namely ignorance, diseases and poverty, but there were no specific action against poverty. In Tanzania poverty is caused by many factors such as drought, unemployment, underemployment, low level of production, poor

technology and gender bias, division of labour, diseases, large household size, unequal exchange in international trade, problems of refugees, debts burden, dependence on foreign aids, poor policies and introduction of new policies. World bank (2000) argued that dependence on natural rain water causes poor harvest, which result in food and income shortages which would in turn have helped them to afford other social services such as education, housing and health services.

Microfinance is a system that allows people in poor countries to borrow small amount of money to help them start a small business. It is the provision of financial services to those who are excluded from conventional commercial financial services since most are too poor to offer much - or anything - in the way of collateral. Poor people have few [assets](#) that can be secured by a bank as [collateral](#)

Traditionally women are undermined, they are not given chance to own means of production such as land and other assets. Microfinance institutions (MFI) are organizations that provide microfinance services, ranging from small non-profit organizations to large commercial banks. The nature of commercial banks is that interest rates need to be high to return the cost of the loan. Most commercial banks provide loans on collateral basis. Poor people can not get those loans since they have few [assets](#) to be secured by banks which would have helped them to engage in economic activities as a means of poverty alleviation.

Microfinance both credit and savings has potential in improving the well being of the poor in developing countries. Currently the availability of suitable Microfinance institutions (MFIs) in Tanzania, which are capable of serving households, small farmers, small and micro enterprises in rural as well as in urban area, is limited. For the vast majority of Tanzanians whose incomes are low, access to financial services would offer the possibility in managing scarce household and enterprise resources more efficiently, protect against risks, provision for the future, and taking advantages for investment opportunities for economic returns and hence poverty reduction. This is only possible through establishment of well designed and sustainable microfinance activities in the country. PRIDE TANZANIA is one of the microfinance institution involved in the provision of credit to the low income earners in Tanzania.

It is from this context that the study wanted to know to what extent micro finance institutions operations in Tanzania through

loans provision improve the economic status of women by taking PRIDE TANZANIA - Arusha branch as a case of study.

The Concept of Micro Finance

Microfinance both credit and savings has potential to improve the well being of the poor in developing countries. Micro financing is a provision of small loans to small entrepreneur who lack the credentials and collateral demanded by banks. These small loans are normally provided by microfinance institutions (MFIs). They provide financial service which include; saving, credit and insurance. Apart from financial services some MFIs provides social services such as group formation and training on investment skills and group management (Salay, 2006).

MFIs mostly SACCOS are more supportive and friendly to poor ordinary people who are ignored by the sophisticated financial services systems (Banks). These institutions work hand in hand with the Government in extending small loans to poor people to avoid risks/loss of their funds. The groups use the loans in establishing micro business or enriching the already owned micro business.

Having explained the background information of the operations of MFIs it is now appropriate to define the term microfinance. Different scholars have defined the term microfinance differently depending on contingent factors. Microfinance is defined by Longman dictionary of contemporary English (2003) as a system that allows people in poor countries to borrow small amount of money to help them start a small business. Microfinance has also been defined by www.Wikipedia.org as the provision of [financial services](#) to [low-income](#) earners. And PRIDE TANZANIA has defined microfinance as Microfinance that involves activities directed at provision of access to financial services for the lower income earners or small and micro-enterprises. In this study the definition given by PRIDE TANZANIA is used.

The role of MFIs on Women in Developing Countries-Tanzania model

The roles of Micro finance institution is to provide small loans to the low income earners, creation of employment opportunities , capacity building to borrowers by offering different skills such as use of loans, entrepreneurship and managerial skills. Poverty alleviation is a global issue which lies on the concept of upgrading the position of developing countries in the world, focusing to Tanzania. Women need access to MFIs so that they can further raise their income.

The world's poorest, especially women, improve their lives and escape poverty through access to microfinance and technology. Global poverty is a daunting challenge. But by making very small soft loans using available MFIs to very determined people, millions of the poor rural Tanzanians will pull themselves out of poverty (Hon. Eng. Mnyaa (MP) during 18 Parliamentary session, seat No. 11 on 08 February, 2010).

According to World Bank report (1989), most African women in common face a variety of legal, economic and social constraints involving in global activities. Most Tanzanian woman has always being active in agriculture, trade, and informal sector and in low paid jobs. Changing economic and social situation of

women in Tanzania will increase women capabilities and their abilities towards gender balance.

It is from these facts that the president of United Republic of Tanzania His excellence Jakaya Mrisho Kikwete in 2006 came up with the idea of providing soft loans to the lower capital business groups across Tanzania by assigning 20 billions and 1 billion to Tanzania mainland and Zanzibar respectively. The loans extremely known as JK billions was aimed at empowering SMEs grow bigger to both Tanzanians to increase their levels of income and enable them participate effectively in building the national economy.

Limitations of Micro Finance Institutions in Relation to Women empowerment

Most Micro finance Institutions provide soft loans on collateral bases. Women are deprived from owning means of production such that they cannot easily access these loans. Social attitudes to women are responsible for gender differences in both system of labor, training and education. There is a discrimination against woman and the judicial system does not provide adequate protection for women and children, inadequate capacity of the public law enforcement Institutions, low awareness of civil rights, ambiguity of law and limited options for redress (WB 1988).

In addition, most poor people have few [assets](#) that can be secured by a bank as [collateral](#). As documented extensively by [Hernando de Soto](#) and others, even if they happen to own land in the [developing world](#), they may not have effective [title](#) to it. This means that the bank will have little recourse against [defaulting](#) borrowers. Although much progress has been made, the problem has not been solved yet, and the overwhelming majority of people who earn less than \$1 a day, especially in the rural areas, continue to have no practical access to formal sector finance.

Women experience the highest degree of deprivation from means of production that results to them having low economical status in the community. If we compare the lives of the inhabitants of poorest communities across the world especially third world countries, women are the poorest followed by children. This has been evidenced by women facing cases like malnutrition, AIDS, less access to primary health care, clean water, education, less government seats and informal productive activities followed by having low capital and poor technology which are hidden by ignorance, illiteracy and their potentiality in the society (NSGRP, 2002).

ATRCW (1986), hooding (1987), lack heed and Garman (1987), Byrne (1988), Ankara Hein (1995) and light –Doyle (1991) both explain some factors that limit woman perception in equity with male to be prejudices about woman abilities and attitudes, their roles, their behavior and aspirations, culture, political and society, absence of role models, parental expectations, beliefs, cultural, tradition, teachers altitude and behavior, career guidance, employer altitude, lack of education and training, families, lack of quotes, lack of exposure to technically oriented subjects, group pressure at home and at school, interactions between girls and boys, lack of school books and resources, materials and lack of confidence to try new things. This list requires to be defined to find out exactly which factors are the most and which are the least in relation to how women suffer legal, economic and social constraints.



Mr. [Kofi Annan](#), former UN Secretary General (in the above picture) addressed the need for financial services by the poor as: "The great challenge before us is to address the constraints that exclude people from full participation in the

financial sector... Together, we can and must build inclusive financial sectors that help people improve their lives". All in all the main issue here is setting enabling environment for the provision of micro financial services that will enhance the poor get rid of poverty.

Overview of conceptual framework

The conceptual framework of this study is based on the assumption that women seeking soft loans from PRIDE TANZANIA are a result of being in a state of poverty, unemployment and low income earners. Hence it is expected that most women would heavily rely on other variables like loan conditions, motives for acquiring loans, impact of loan interest rate and attitudes towards women economic empowerment so as to inculcate the state of poverty to a better life among Tanzanian women.

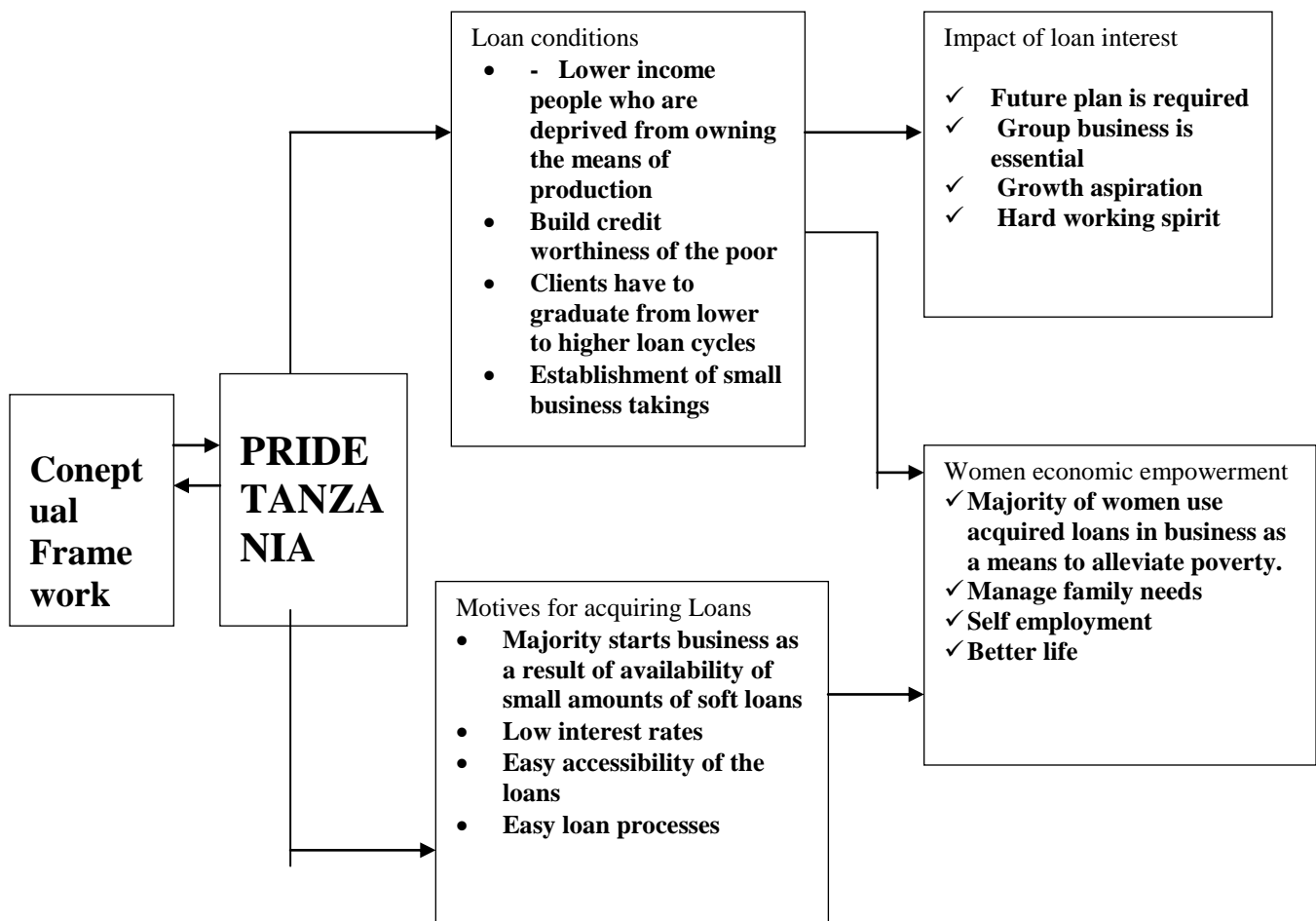


Figure 1: Conceptual framework of the study

Source: Researcher's own Construct 2010

II. METHODOLOGY

Sample size and area of the study

The study was conducted at PRIDE TANZANIA in Arusha branch because the topic is relevant to the selected organization and is where the researchers have the access to conduct the study. Also the financial constraints have influenced researchers to choose Arusha region so that data collection process is less cost full. The population sample comprised of 100 respondents who participate in taking soft loans from PRIDE TANZANIA in Arusha branch. The sample was proposed to be used because was feasible and practical to obtain information required from different clients of PRIDE TANZANIA in Arusha Region.

Methods of data collection and analysis

Both primary and secondary data were used by researchers to investigate the problem. Primary data was collected from questionnaires, interviews and observation whereby Secondary data were obtained from different sources including books, journals, research reports, news papers, dissertation stations and Inter-net website. Responses from respondents were coded and analyzed by using statistical tool of data analysis (SPSS). Results of the analysis were presented descriptively in a tabular form followed by narrative description of the results.

III. RESULTS

Level of education

Table 1 below analyses respondents' level of education. Results shows that 73.0% of respondents (women getting loans from PRIDE TANZANIA) are primary school leavers, 27(27.0%) of them are secondary school leavers and none of them are graduates of higher learning educations.

Table 1: Below provides a summary of loan recipients' level of education

<i>Level of education</i>	<i>Frequency</i>	<i>Percent</i>
<i>Primary education</i>	73	73.0
<i>Secondary education</i>	27	27.0
<i>Higher learning education</i>	0	0
<i>Not applicable</i>	0	0
Total	100	100.0

Source: Field survey 2010

From the basis of the above analysis it is clear that the majority of women seeking loans from PRIDE TANZANIA are primary school leavers who don't have other income apart from the loans provided by Pride Tanzania and poor basic business skills.

Sex of respondents

Table 2 shows that out of a total of 100 respondents 88(88.0%) respondents among loan applicants from PRIDE TANZANIA are females and 12(12.0%) were males. This implies that most respondents seeking loans from PRIDE

TANZANIA are females, this is due to the fact that most women are poor, unemployed and have low incomes.

Table 2 below provides a summary of Sex of Pride Tanzania Customers

<i>Sex of the customer</i>	<i>Frequency</i>	<i>Percent</i>
<i>Female</i>	88	88.0
<i>Male</i>	12	12.0
Total	100	100.0

Source: Field survey 2010

Marital Status

The analysis in Table 3 indicates that out of a total of 100 respondents, 51(51.0%) respondents were widows, 23(23.0%) were divorced, 15(15.0%) were single and 11(11.0%) were married.

The findings below indicate clearly that the majority of women seeking loans from Pride Tanzania are widows. This is because widows have to take the responsibilities of caring for the family, sending their children to school, ensuring that there is enough food for the family, health care since they have no husbands to assist them.

Table 3 below provides a summary of marital status of Pride Tanzania Customers

<i>Marital Status</i>	<i>Frequency</i>	<i>Percent</i>
<i>Single</i>	15	15.0
<i>Married</i>	11	23.0
<i>Divorced</i>	23	11.0
<i>Widow</i>	51	51.0
Total	100	100.0

Source: Field survey 2010

Employment

Table 4 shows that out of a total of 100 respondents, 29 (29.0%) respondents among women getting loans from PRIDE TANZANIA are formally employed and 71(71.0%) of them are self employed. This means the majority of women seeking loans from PRIDE TANZANIA are self employed.

Table 4 below provides a summary of employment status of Pride Tanzania Customers

<i>Occupation</i>	<i>Frequency</i>	<i>Percent</i>
<i>Yes</i>	29	29.0
<i>No</i>	71	71.0
Total	100	100.0

Source: Field survey 2010

Residence

From the analysis below we find that out of 100 respondents, 14(14.0%) respondents among women getting loans from PRIDE TANZANIA live in their own houses and 86(86.0%) of them live in rented houses. It can be concluded in this part that the majority of women seeking loans from PRIDE TANZANIA live in rented houses. It was learnt from the

findings that 97% of respondents were widows who are living in rented houses after the death of their husbands and 13% are single. It was further found that all 100(100%) respondents live within Arusha Municipality. This indicates women from rural areas have no access to PRIDE TANZANIA loans.

Table 5 below provides a summary to show the Residential status of Pride Tanzania Customers

<i>Own house or rented</i>	<i>Frequency</i>	<i>Percent</i>
<i>Own house</i>	14	14.0
<i>Rented house</i>	86	86.0
Total	100	100.0

Source: Field survey 2010

Motives for opting Pride Tanzania loans:

Table 6 shows that out of 100 respondents, 73(73.0%) of them said that the loans are easily accessible while 27(27.0%) of the respondents said that they opted PRIDE TANZANIA loans because of low interest rate. It is evidenced from the table 6 below that many women seek loans from Pride Tanzania because they are easily accessible. It was further learnt that some women seek loans from Pride Tanzania because the loan conditions are fair.

Table 6 below provides a summary to show why they have decided to take Pride Tanzania loans:

<i>Reasons for opting Pride Tanzania loans</i>	<i>Frequency</i>	<i>Percent</i>
<i>Low interest rate</i>	27	27.0
<i>Easy to access the loans</i>	73	73.0
Total	100	100.0

Source: Field survey 2010

Procedure for processing loans

Table 7 shows that out of a total of 100 respondents 93(93.0%) respondents among women getting loans from Pride Tanzania said that it is not difficult to process Pride loans while 7(7%) said it is very difficult to process PRIDE TANZANIA loans. The above table reveals that a big number of women seek loans from Pride Tanzania because it is easy to process the loans and it doesn't take long time .

Table 7 below provides a summary to examine the procedure of processing Pride Tanzania loans:

<i>Procedures for processing Pride loans</i>	<i>Frequency</i>	<i>Percent</i>
<i>Not difficult</i>	93	93.0
<i>Very difficult</i>	7	7.0
Total	100	100.0

Source: Field survey 2010

However, it was observed from the study that provision of loans is through enterprise groups of five (5) members. Enterprise groups meet once every week. If a loan applicant is not from any enterprise group is not qualifying to get loan. This

finding is in line with Anand (2005) who found in his study that the role of Self Support Help Groups (SHG) in empowering poor women in Kerala, India have great potential in alleviating poverty and empowering women, provided partisan, politics and vested interests are kept at bay. Also he found that provision of credit alone may not produce the desired impact, support services and structures through which credit is delivered ranging from group information and training to awareness raising and wide range of other supporting measures are critical to making measures felt.

The motives behind for women to acquire loans

The analysis below proves that out of 100 respondents, 70(70.0%) of them said that they got the information from their relatives, 17(17.0%) get information from Pride Customers and 13(13.0%) respondents among women getting loans from Pride Tanzania said that they got information about the loans from their neighbors. The findings suggest that most of women seeking loans from Pride Tanzania got information about the loans from their relatives

Table 8 below provides a summary to show where they got information about Pride Tanzania loans

<i>Source of information about Pride loans?</i>	<i>Frequency</i>	<i>Percent</i>
<i>My neighbor</i>	13	13.0
<i>My relative</i>	70	70.0
<i>Mass media</i>	0	00.0
<i>Pride customers</i>	17	17.0
Total	100	100.0

Source: Field survey 2010

Period when started receiving Pride Tanzania loans

From the table 9 below we can argue that out of a total of 100 respondents, 72(72.0%) respondents among women who are getting loans from Pride Tanzania said that they started taking the loans before 2006 and 18(18.0%) of them said that they started taking the loans from 2007 to date. Therefore it is observed from the above table that the majority of women started taking Pride Tanzania loans before 2006. This also reveals that these PRIDE TANZANIA clients are benefiting from the loans given and are satisfied by the service given by the institution that is why they continue taking loans.

Table 9 below provides a summary to show the time when they started receiving Pride Tanzania loans:

<i>Period when started taking Pride loans</i>	<i>Frequency</i>	<i>Percent</i>
<i>Before 2006</i>	72	72.0
<i>From 2007 to date</i>	18	18.0
<i>From 2008 to date</i>	0	00.0
<i>From 2009 to date</i>	0	00.0
Total	100	100.0

Source: Field survey 2010

Loan amounts received from Pride Tanzania

Table 10 shows that out of a total of 100 respondents all 85(85.0%) respondents among women getting loans from Pride Tanzania said that they are getting the loans above 300,000 and 15(15.0%) between Shs. 200,000 and 300,000. This implies that the majority of women seeking loans from Pride Tanzania receive the loan amounts above Shs. 300,000.

Table 10 below provides a summary of loan amount received from Pride Tanzania:

<i>Loan amount received</i>	<i>Frequency</i>	<i>Percent</i>
<i>Below Sh. 100,000</i>	0	00.0
<i>Between Shs. 100,000 and 200,000</i>	0	00.0
<i>Between Shs. 100,000 and 200,000</i>	0	00.0
<i>Between Shs. 200,000 and 300,000</i>	15	15.0
<i>Above Shs. 300, 000</i>	85	85.0
Total	100	100.0

Source: Field survey 2010

Uses of Loans Received

Table 11 shows that out of a total of 100 respondents, 83(83.0%) respondents said they invest in business, 13(13.0) said they use part of the loan in meeting family needs and 4(4.0%) said they used to spend the loan received in social life From the analysis below it implies that most PRIDE TANZANIA loan beneficiaries invest the loan received in business.

Table 11 below provides a summary on the uses of loans they receive from Pride Tanzania:

<i>Uses of loans received</i>	<i>Frequency</i>	<i>Percent</i>
<i>Invest in business</i>	83	83.0
<i>Increase the number of family members</i>	0	00.0
<i>partly meet family needs</i>	13	13.0
<i>Spend in social life</i>	4	4.0
Total	100	100.0

Source: Field survey 2010

Use of profits generated from Pride Tanzania loans

Table 12 shows that out of a total of 100 respondents, 65(65.0%) respondents among women getting loans from Pride Tanzania said that they used to meet family needs and 35(35.0%) of them said that they used to reinvest in business. On the basis of the above analysis the majority of loan beneficiaries use the profits generated from Pride Tanzania to meet family needs.

Table 12 below provides a summary on use of profits generated from Pride Tanzania loans:

<i>Use of profits generated from the loans</i>	<i>Frequency</i>	<i>Percent</i>
<i>Reinvest in my business</i>	35	35.0
<i>Increase the number of family members</i>	0	00.0

<i>Meet family needs</i>	65	65.0
<i>Spend in social life</i>	0	00.0
<i>Others</i>	0	00.0
Total	100	100.0

Source: Field survey 2010

Changes experienced in life style after receiving Pride Tanzania Loans

Table 13 shows that, 68(68.0%) respondents said that they have managed to improve their standard of living after receiving Pride loans and 32(32.0%) of the respondents said that they have experienced an increase in consumption as evidenced in the below analysis.

Table 13 below provides a summary on the changes in life style after receiving Pride loans:

<i>Changes experienced in life style after receiving loans</i>	<i>Frequency</i>	<i>Percent</i>
<i>Manage to improve the standard of life</i>	68	68.0
<i>Increase the number of family members</i>	0	00.0
<i>Increase in consumption</i>	32	32.0
Total	100	100

Source: Field survey 2010

Ms. Rozi Mushi aka Manka, a resident of Sakina area in Arusha Municipality had the following while responding to our interview with her: “I used to live with my friends in a ghetto with lots of life difficulties as I had no place to shelter myself, no close relative to assist me and always uncertain of what to eat in a day. My relative informed me about Pride loans, we decided to form a group of five people and went for the loan. After joining Pride Tanzania loan scheme I real feel very proud, things changed very quickly. I can now buy food for myself; I have rented two rooms within Arusha Municipality and I managed to buy enough furniture to support my life. Thanks God”!

Assisting their husbands in meeting home need

Table 14 shows that out of a total of 100 respondents, 87(87.0%) respondents among women getting loans from PRIDE TANZANIA said that they used to assist their husbands to meet home needs and 13(13.0%) of them said that they don’t assist their husbands in meeting home needs.

Table 14 below provides a summary on how women assist their husbands in meeting home needs:

<i>Assisting their husbands in home needs</i>	<i>Frequency</i>	<i>Percent</i>
<i>Yes</i>	87	87.0
<i>No</i>	13	13.0
Total	100	100.0

Source: Field survey 2010

It is clear from the above analysis that the majority of women taking loans from Pride Tanzania used to assist their husbands in meeting home needs. This was further evidenced by Mama Laizer, a primary school teacher within the Arusha Municipality at Sanawari area, who responded as follows during the interviews: “We used to depend on our little salaries with my husband to support our life and sent to school our 10 children in our family. Life was very biting and difficult as we could not manage to send all of our children to schools in time. Sometimes we ended up drinking porridge in a day. We put on used clothes. That was our normal life. Life changed after joining Pride Tanzania loan scheme. You can not believe it. We now have our own house, we are able to pay for school fees for our children in time and we are able to buy food for all of us. She considers the move as God’s miracles”!

Difficulties faced by women in running their business

Table 15 shows that out of a total of 100 respondents, 55(55.0%) respondents among women getting loans from Pride Tanzania said that they don’t face any difficulties in running their business and 45(45.0%) said that they face some difficulties in running their business. Basing on below analysis it is revealed that most loan beneficiaries of PRIDE TANZANIA face no difficulties in running their business.

Table 15 below provides a summary on the difficulties women face in running their business:

<i>Difficulties faced in running business</i>	<i>Frequency</i>	<i>Percent</i>
No	55	55.0
Yes	45	45.0
Total	100	100.0

Source: Field survey 2010

However, it was observed from the findings that 75% out of those respondents who used to face difficulties in running their business due to lack of market for their products and the remaining 25% joined recently with Pride loan scheme. They said that they face difficulties simply because they don’t have specific area far selling their products. Sometimes they are chased by the council soldiers.

Affordability of loan interest

It is evidenced from table 16 that out of 100 respondents, 84(84.0%) respondents among women getting loans from Pride Tanzania said that Pride loans interest rate is affordable and 16(16.0%) said the loan interest is not affordable. The analysis below converses that the PRIDE TANZANIA interest rates are affordable.

Table 16 below provides a summary on affordability of Pride Tanzania loans interest:

<i>Affordability of loan interest</i>	<i>Frequency</i>	<i>Percent</i>
Yes	84	84.0
No	16	16.0

Total	100	100.0
-------	-----	-------

Source: Field survey 2010

Affordability of loan repayment in time

Table 17 shows that out of a total of 100 respondents, 90(90.0%) respondents among women getting loans from Pride Tanzania agreed that they manage to make loan repayment in time and 10(10.0%) said they don’t manage to repay the loan in time. The analysis shows that most loan beneficiaries of Pride Tanzania manage to make loan repayment in time. However, it was observed from the study that provision of loans is through enterprise groups of five (5) members. Enterprise groups meet once every week. The findings revealed that when an enterprise group member fails to make loan repayment in time, the rest in the enterprise group are required to find her otherwise the defaulter’s properties will be seized for auction to recover the loan taken. In case an enterprise group member is not found the rest will carry the burden of paying the defaulters loan.

Table 17 below provides a summary on affordability of Pride Tanzania loans repayment in time:

<i>Affordability of loan repayment in time</i>	<i>Frequency</i>	<i>Percent</i>
Yes	90	90.0
No	10	10.0
Total	100	100.0

Source: Field survey July , 2010

IV. CONCLUSION

The study findings conclude that majority of PRIDE TANZANIA loans beneficiaries are primary school leavers and married unemployed women who live in rented houses within the urban areas of Arusha Municipality. It is also leant that the Loan conditions provided by PRIDE TANZANIA are fair, easily accessible, and easy to process them. The study also found that the motives behind for women to acquire loans from PRIDE TANZANIA are to invest in business undertakings. The majority of them started taking loans before 2006 to date and they have been receiving the loan beyond Tshs. 300,000. Furthermore, this study evident that women involved in taking loans from PRIDE TANZANIA, their economic status in the community changed from living in difficulties to a better life because most of them have managed to meet their daily needs. Moreover, result revealed that PRIDE TANZANIA loan interest and repayment procedure are affordable and beneficiaries can manage to repay the loan in time. This make them run their business with little difficulties. However, it is observed from the study that provision of loans is through enterprise groups of five (5) and when an enterprise group member fails to make loan repayment in time, the rest in the enterprise group are required to find her otherwise the defaulter’s properties will be seized for auction to recover the loan taken. In case an enterprise group member is not found the rest will carry the burden of paying the defaulter’s loan.

V. RECOMMENDATIONS

- (i) The study recommends to PRIDE TANZANIA extended more small soft loans to as many women as possible, to enable millions of poor Tanzanian's women pull themselves out of poverty.
- (ii) This study has revealed that Pride Tanzania is a microfinance institution which is engaged in the provision of small soft loans to the poor people get out of poverty in urban areas leaving the rural areas unsaved. It is recommended here that it is high time for PRIDE TANZANIA extend its service to rural areas where the majority of poor communities are living.
- (iii) It is further recommended that the Government should make attracting environments to investors in micro finance who wish to make such investments in the rural areas where the poor peasants are living to enable them defeat poverty through Rural Micro Finance Operations.

REFERENCES

- [1] Lipsey, R. G. and Harbury, C (1992): first principal of economics.
- [2] Mkasimongwa Edison J. (1997) the overall status of women in Africa (university of dare s salaam).
- [3] Nchimbi, M (2niversity of Dar es Salaam.
- [4] Nchimbi, M (1999) "Ent000): "A Comparison of Male and Female Personal Characteristics start up Motives and perception of success". Un published PhD. Thesis U repreneurial motives to start MSEs and their Perception of business success". Are the gender differences? Business management Review Vol. 6.
- [5] ILO, vide International Labour Organization. 2002. Jobs. Gender and Small enterprises in Africa, Preliminary report; Women entrepreneurs in Tanzania.
- [6] Olomi 1999, African Entrepreneurship and Small Business Development, DUP, Dar es Salaam.
- [7] Nobbs, J Advanced level economics, 3rd Edition
- [8] Poverty reduction strategy paper progress report.(2002-20006).
- [9] Society for International Development (1983).
- [10] Todaro, Michael L. P. (1989) Economic development in third world 4th Edition

- [11] UN (2006): United Nation Women Framework.
- [12] UNESCO (1991): Report on International investigation in education.
- [13] URT (2002): Poverty and human development report, National printing Co. Dar es salaam, Tanzania.
- [14] URT (2001): Country report progress; millennium declaration development goal.
- [15] URT (2002): Tanzania assistance strategy framework (TAS).
- [16] URT (2003): Small and Medium Enterprises Development Policy, Ministry of Trade and Industry, Dar es Salaam.
- [17] United Republic of Tanzania (URT) (1996) (2004a). "National Strategy for Growth and Reduction of Poverty (NSGRP)". Vice-Presented Office's, Dar es Salaam
- [18] United Republic of Tanzania (URT) (1996).. Sustainable Industrial Development Policy (1996-2020)
- [19] Ministry of Industries Trade and Marketing (MITM), Dar es Salaam
- [20] Workshop Report (2003): financing micro finance in east Africa.
- [21] WB (1993): Review of bank lending, agricultural, credit and rural finance
- [22] WB (2002): Report on women status in Africa.
- [23] www.Wikipedia.org
- [24] www.Micro Loan Foundation.org

AUTHORS

First Author: Tiberius Mlowosa: Masters of Science in Finance, Advance Diploma in Accounts, Email:

tiberiusmlowosa@yahoo.com

Second Author: Natalia Kalimang`asi – Master of Business Administration (Finance), Bachelor of Science in Agricultural Economics and Agribusiness, Email: mwaseu@yahoo.com

Third Author: Bundala Dodo Mathias – Master of Business Administration (Agribusiness), Bachelor of Education (Mathematics), Email: dodobm@yahoo.com

Correspondence Author: Tiberius Mlowosa - Email: tiberiusmlowosa@yahoo.com +255 767 284 988