

## ABSTRACT

The Millennium Declaration was adopted by world leaders, committing their nations to stronger global efforts to reduce poverty, improve health and promote peace, human rights and environmental sustainability. The public and private sectors, including the financial sector, have affirmed their collective responsibility to achieve these targets. The role of the financial sector is a fundamental one, as increasing access to financial services for the poor can have a positive impact on economic growth and poverty alleviation particularly in developing nations like Tanzania. This thesis targets to evaluate the effects of financial inclusion on the economic growth of Tanzania using time series data of 8 years from 2008 to 2015. It reflects how economic growth measured by GDP can be affected by aspects of financial inclusion such as Loan Accounts at commercial banks, Number of Mobile Money Accounts, Deposit taking MFIs, Commercial Bank branches and ATMs. This is an empirical research with time series research design where data was collected from IMF, World Bank, BOT and Tanzania Bureau of Statistics. Multiple linear regression was employed in order to achieve the research objective. Findings reveal that, indeed financial inclusion has a strong positive relationship with economic growth in Tanzania with all the variables being significant on explaining the variation of GDP during the selected study period sample. This study recommends The government should control prices of financial services offered so as to ensure they are reasonable hence reduce cost and attain affordability, Financial education and knowledge should be widely spread, Regulation and restrictions embedded in demanding financial services such as taking a loan should be softened to encourage loan applicants, The government should focus on ensuring financial services more to rural areas, Shift the expectation that the government is responsible for ensuring financial services to an expectation of shared responsibility among all stakeholders, Improve Financial Inclusion (especially digital) through a better regulatory framework.

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