

ABSTRACT

The purpose of study was to assess the contribution of participation in microfinance scheme to the women's economic empowerment focusing on women borrowers from PRIDE Tanzania in Arusha city. The study intended to address the following three objectives: (1) to examine the outreach of financial services offered by PRIDE Tanzania for past ten years (2) to determine role of credit on business performance in terms of sales and net profit (3) to determine the contribution of credit on ownership of assets and decision making. The study involved both secondary and primary data. Primary data were collected by use of questionnaire administered to 120 respondents including 60 borrowers and 60 non-borrowers. Secondary data were obtained from MIX Microfinance Database. The findings revealed that there was good outreach of services from PRIDE. This was evidenced in the increased number of active, increased proportion of women borrowers, increased gross loan portfolio and relatively low size of loans. The findings revealed that there was no statistically significant difference between total sales for borrowers and non-borrowers. Accordingly, there was no statistically significant difference between net profit of borrowers and non-borrowers. However, more borrowers than non-borrowers owned productive assets. Furthermore the findings showed that more borrowers than non-borrowers made independent decision to spend their incomes repair the living house, purchase land, construct living houses or purchase household assets. The study recommended that PRIDE should consider increasing the size of loans so as to make it possible for the borrowers to invest the same in sectors which are more productive. Increasing the sizes of loans will also enhance more powers to make decisions among women borrowers. Also, borrowers should seek to invest the loans obtained from PRIDE in businesses rather than diverting it to the household consumption

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