

# Contribution of Micro Finance Institutions Services to Economic Empowerment of Women in Mutara Sub-County Mitooma District.

**Dr. Daphin Nahikiriza**

Valley University of Science and Technology, P.O. Box 440142, Bushenyi Uganda.

## **Abstract**

The study conducted was about Microfinance Institutions (MFI's) and Economic Empowerment of women in Mutara Sub-county Mitooma District, Mutara Development Cooperative Savings and Credit Society was used as a case study. The main objective of this study was to examine the contribution of the MUDSCO to economic empowerment of women. This study used a cross sectional research design method where Quantitative approach was employed. Survey questionnaire method was used to collect data. A total of 113 respondents were used. A closed ended questionnaire was administered to respondents. Data collected during the study revealed that economic empowerment of women improved after joining MUDSCO, for example there was increased income, increased decision making by women, increased asset ownership and increased access to many services such as education, health among others. The study findings indicated that MUDSCO has promoted economic empowerment such as asset ownership, independence in decision making, increased productivity, access to and control over income and access to services such as health education, increased value addition, has created opportunity for self-determination, increased value addition, increased access to market information, has created descent jobs for women among others. The Major conclusion from the study was that MUDSCO has contributed to economic empowerment of women and the society at large. It has succeeded in creating employment and has minimized the government responsibility with its scarce resources to organize and support rural women. It was recommended that, the government should give enough attention to women in terms of financial and technical assistance and reduce taxes imposed on Microfinance Institutions and the government policies should be designed to ensure adequate support of MFI's in all parts of the country and especially in rural areas.

## **1. Background of study**

Microfinance Institutions are organizations that provide microfinance services. Microfinance Institutions range from small non-profit organizations to large commercial banks. Microfinance is a general term to describe financial services to low-income individuals or to those who do not have access to typical banking services (Ahurira, 2018).

Ishaf (2015), Microfinance is promoted as a mechanism for triggering or sustaining social and economic development by supporting entrepreneurial activities. It has multiple spin-off benefits including the potential to be a component of poverty reduction strategies thus contributing to the millennium developmental goals. Microfinance programs contribute by giving low-income, rural women and men a chance to development both their on and off- farm income generating activities (Ishaf, 2015).

Microfinance Institutions are scattered across the globe and including, India, Bangladesh Ghana Uganda, to mention but a few. Microfinance has been termed as a good tool for economic empowerment of women. Microfinance Programs have generally targeted the poor women, by providing access to financial services only through making women responsible for loans, ensuring repayment through women, maintaining savings accounts for women, providing insurance coverage through women Microfinance Programmes among others examples of Microfinance Institutions include central bank of Kenya, commercial banks and mortgage financial institutions, Microfinance Forex Bureaus, Kenya Women Microfinance Bank Limited (Ahurira, 2018).

Microfinance Institutions offers a variety of services such as savings, they offer small loans, and they offer transfers insurance services among others (Ahurira, 2018). In developing industries it is believed that Microfinance Institutions started in 1970 of last century when Professor Mohammed Yunus (the peace Nobel prize 2006) had established a Microfinance system as a Grameen bank in Bangladesh. Microfinance Institutions currently operate in over 100 countries, serving more than 92 million clients. Microfinance is a source of financial services for entrepreneurs and small business lacking access to banking and related services. MFI's have helped to economically empower women by increasing the income of women, increased value addition, increased productivity among others in Uganda (Ahurira, 2018).

In Uganda Microfinance is a critical it is believed to employ 90% of the school drop outs, retired and retrenched civil servants, the skilled un employed, women and army veterans sector, and many people are involved in financial activities (Nuwagaba, 2012). Examples of Microfinance Institutions in Uganda include FINKA Uganda limited, pride micro finance limited, Uganda finance trust limited, UGAFODE Microfinance among others. Microfinance Institutions have played a great role by promoting entrepreneurial empowerment of women, they have increased productivity of women and their incomes have also strengthened their linkages Ahurira (2018).

According to Microfinance census report generated by UBOS rural clients make up 43% of all Microfinance clients in Uganda (UBOS, 2018). Over the last 25 years, Microfinance has emerged as an effective vehicle for poverty eradication. The Microfinance industry has benefited in recent years with the positive influence of governmental policy, improvement in household income, empowerment of women, family access to better care and insurance, promotion of social cohesion in the communities, contribution to improved literacy, access to financial services for economically active poor and promotion of gender equity through women empowerment. The Microfinance sector is described as robust and re-silent as it has gone through all stages of maturity. However there are areas remaining where demand for micro finance services is still relatively high (UBOS, 2018).

The policy of increasing access to both production and consumption credit by the poor has been articulated for sustainable poverty alleviation, the policy also emphasizes the sustainability of Microfinance Institutions (MFI's). This leaves the delivery of micro finance services entirely on the private sector with government on playing the role of policy formulation and provision of an enabling macro-economic environment for the private. To enhance efficiency of micro finance sector the MDI, act (2003) was enacted which provides opportunities to MFI's to be licensed and will be allowed to intermediate public savings. Microfinance is regulated under micro finance act 5 deposit taking institutions act (2003) to provide for the licensing regulation and supervision of microfinance business in Uganda and to provide for neither matters connected with nor incidental to the foregoing.

The main Microfinance Institutions in Uganda are Commercial banks, Microfinance Deposit taking

Institutions (MDIS) for example Pride Microfinance, Association of Microfinance Institutions in Uganda (AMFIU, 2002) and the informal Microfinance Institutions such as “Biikaoguze” which is registered with Community Development Officer and Savings and Credit Cooperative Organizations (SACCOs). Information and experiences and to link up and network with both local and international actors. According to Yunus (2008), the poor and especially women tend to have limited access to services from Microfinance Institutions in less developed countries due to lack of physical collateral, cumbersome procedures to start transactions with formal banks which would discourage those without education from approaching the banks, lack of supply of supply of credit in rural areas related to urban biased banking networks and credit allocations. It is therefore against the above back ground that this study sought to assess the contribution of the Microfinance Institutions on economic empowerment of women.

## 2. THEORETICAL FRAMEWORK

This study was be guided by theories of Jo Rowland’s 1997 and Williams’s theoretical model of empowerment.

The Williams theoretical model of empowerment.

A theoretical model of women’s empowerment was developed by Williams (2005) in rural Bangladesh. For this purpose he used the work of has hemi and Schuler (1993) Saber and Kabeer 1999, which gave important insights for the development of the model. Kabeer 1999 identified three main elements of empowerment, which are agency, resources and achievement. The economic, human and social resources are supposed to be pre conditions for empowerment and “exercise power, or agency, in the presence of resources is the process of empowerment”. Ultimately outcomes are gained in form of achievements, by combining resources and agency. The casual sequence of England’s (2000) model involves economic resources and norms by others and these pre conditions interactively affect the power and also directly affect the achievements (AFZAL 2009)

### **The Jo Rowland’s theory of empowerment 1997.**

In 1997, Jo Rowland’s work with women in Honduras added to the feminist thinking on empowerment by defining four types of power as explained in the table 1. This has further helped women to understand power addressing un equal power relations as a cause to dis empowerment. Several debates are ongoing about whether empowerment should just be a process, an outcome or both, furthermore, is change brought about by individual agency or a goal on transforming the structures of that oppress women? .The relationship between the above issues and young women’s empowerment model is that this influences your theory of change, program me focus and expected out comes This theory is fits in my study in that it aims at giving power to women that is not to be influenced by other people. This can help women to work on their own than being defendants.

## 3. STATEMENT OF THE PROBLEM

Despite the various Microfinance Programmes to empower women economically by availing access of credit, reduction of interest rates, reducing the collateral securities required among others, many women still have low incomes and have continued to swing in poverty, few women have been involved in businesses, asset ownership and the standards of women are still low, they have continued to be victims of societal suppression and abuse and their self-esteem and confidence is still low (UBOS, 2018; Economic Outlook, 2018). This may be due to ignorance of women about the process of acquiring a loan, lack of collateral securities to acquire loans, fear of risks by women to acquire loans, lack of

knowledge on how to use money effectively, lack of financial services in the rural areas among others (Ahimbisibwe, 2018; UNHS, 2016/2017). A number of MFI's are already receiving deposits from members. Sacco's as MFI's are also involved in financial activities. Today many micro credit programmes have emerged all aiming at providing micro credit to the poor women's poverty reduction and to empower them economically in general (Herath, 2015; Kebede, 2019). Despite the efforts above there is still persistent poor state of women economic empowerment (UNHS, 2016/2017). The missing gap is whether such services provided by Microfinance Institutions contribute to economic empowerment of women. This study will be conducted to establish whether Microfinance services have resulted into economic empowerment of women.

#### 4. LITERATURE REVIEW

##### **Contribution of Micro Finance Institutions to Economic Empowerment of Women.**

The term Microfinance specifies "the offer of financial services to customers with low income levels" (Nader 2008). According to world bank 2011 (putting resources into poor women's hands while promoting gender equality in the house hold and in society results in large development pay offs. Expanding women's opportunities in public works, agriculture, finance and other sectors accelerate economic growth, helping to mitigate the effects of current and future financial crises"

"Providing access to Microfinance for women is considered to be a pre-condition of poverty alleviation and women's empowerment" (Mayoux 1997).

By focusing on women's empowerment from Microfinance perspective, the policy development circles have started putting more emphasis on gender relations than ever before and they consider women as a "weapon against poverty" (DFID) 2006, p.1. So it is very important to empower women by providing them access to Microfinance as gender inequalities hinder economic growth and development. (Yunus, 2008; Roodman, 2014)

Microfinance Institutions give saving services to women. They accept micro deposits and keep them safely. Saving mechanism allows Microfinance Institutions clients to conveniently and safely accumulate surplus funds to create financial stability. World Bank (2004) considers mafias to be NGOS, saving and loan cooperatives, credit unions, commercial banks and non-financial institutions. Their activities should include small loans, typically for working capital, informal appraisal of the borrowers and investments secure savings product and collateral substitutions such as group guarantees or compulsory savings.

Microfinance Institutions are viewed as important tools for improving the living and working conditions of women. Since the users of the services they provide owned them, Microfinance Institutions make decisions that balance the need for profitability with welfare of their members and community, which they serve. As MFI's foster economies of scope and scale, they increase the bargaining power of their members providing them, among benefits, higher income and social protection. Hence MFI'S accord members opportunity, protection, and empowerment- essentials elements in uplifting them from degradation and poverty (Memon, 2021).

Stewart et al. (2012) conducted a methodical or systematic review of the effects of micro-credit, micro-savings, and micro-leasing on client engagement with economic opportunities or chances and the subsequent outcome on clients' savings, income, and accumulation of non-financial assets and spending. Starting with approximately 14000 citations, research was prohibited or omitted based on certain inclusion criteria, including not being based on savings, credit, or leases, having no focus on outcomes

related to the economy, and lacking a comparison group, among others. Additionally, the inclusion criteria were met by all 17 studies with sufficient quality. Similarly, because microleasing's effects have not been thoroughly demonstrated, their studies have focused on credit and savings. They discovered that micro-savings have no effect on customers' participation in economic opportunities, but they have a mixed effect on the other four economic outcomes. Additionally, it was discovered that micro-credit had a mixed effect on all economic outcomes examined; this was true even when combined with micro-savings. They came to the conclusion that: "it is crucial to assess if there is potential for harm in delivering either of these services, or indeed in not doing so. Micro-savings may represent a safer intervention." While the lack of financial services may limit the capability of the poor to endure shocks or to increase their wealth, Microcredit also exposes borrowers to the danger of rising debt levels and collateral loss. The conflicting results indicate that the conclusions of the aforementioned scholar cannot be extended to the study findings in various parts of Mitooma District in South Western Uganda. This study will help determine whether Microfinance Institutions have a positive or negative impact.

According to Kim, (2018) innovation of lending technologies for the poor, one of the achievements of the micro finance intervention has been the innovation of the lending technologies that are more suitable for the poor. While the formal banking system was inclined to using the collateral based lending technology which was inaccessible to the poor on account of lack of collateral. The NGO Microfinance sector therefore emerged to provide micro credit for poverty alleviation to poor households using group lending (joint liability contracts), small progressive loans and targeting especially women. Under the joint liability contracts, members are responsible not only for the repayment of their personal loans but also for the loans of other group members in case of default (Kim, 2018).

Further, Hossen (2019) reported that MFI's offer enterprise development facilities by assisting women individually, and in groups to access financial services to start and grow enterprises which can sustain them and their families above the poverty line. This is mainly done through the provision of access to micro credit services, for building up self-employment, in form of loan at interest free, low interest and market rates. Making expensive credit available to the rural poor women has been a key to breaking the vicious circle of low capital, low productivity, low savings thus overcoming poverty. Nyarondia (2017) earlier stated that Microfinance Institutions offer loans for consumption and asset development which help beneficiaries to build up asset bases for their families or consume if they were earning low incomes (transport, meals, weddings). This may be enhanced through encouraging of savings especially using low or no fee small deposit savings accounts. Saving is at least as important, if not more so, than loans in the effort to help households to accumulate resources. Savings are financial assets that the poor can accumulate against emergencies and long term needs (Nyarondia, 2017).

More still, a study by Hossen and Ruhi (2019) revealed that Microfinance Institutions have developed into a very well-liked and acknowledged tool used to combat poverty in developing nations like Bangladesh. Hossen and Ruhi (2019) note that the public currently views Microfinance credit services in many respects as a tool for eradicating poverty. He expressed caution, however, by stating that not all parties and individuals concur that Sacco's credit services have significantly impacted the reduction of poverty. Ishfaq & Jamil (2015) also looked at the relationship between Microfinance credit services and poverty reduction, and they noted that the Malaysian SACCO experience showed that credit services had a positive impact on household income of women borrowers who had participated in SACCOs for at least three years. This is in line with the findings of Herath, 2015; Patel et al., 2018; and Sinha et al. 2019, who discovered that the credit services provided by Microfinance Institutions improved the

income of women and the welfare of their families as a whole.

Microfinance Institutions provide an opportunity for self-determination and empowerment of poor women. They foster a culture of good citizenship and enable their members to have a voice and participate in democratic process, thus having empowering development effects beyond their economic benefits (Khan, 2017; Abrar, 2029; Goey, 2012).

In Africa Microfinance Institutions have recorded notable gains. The sector has transformed from an insignificant player in the national psyche to a recognized sector with potential to equitably offer financial services to the active poor women in viable micro enterprises, empower enterprising women through financial access and skills and drastically reduce poverty (Rooyen, 2012).

A study was conducted by Nader (2008) by testing a hypothesis, "(micro credit is positively linked to women's economic well-being in Cairo)", she argued that micro credit has become imperative to alleviate poverty and to improve families well-being and results also confirmed that micro credit is strongly linked with children's education, income and assets, so it also provides support to the topic that micro finance plays an important role in women's economic empowerment, especially their inclination towards family wellbeing and children education.

Access to savings and credit facilities strengthens women in economic decision. It also improves their skills, knowledge and support networks as well as enhancing their status in community. Evidence of women empowered economically through micro finance are pankop, women farmers' forum in Mpumalanga, South Africa, Jamiii Bora housing project in Kaputei, Kenya among others (Akinyi, 2015). Recent developments in MFI's have led to MFI's to offer non-financial services such as training of clients in drawing business plans, book keeping, business management and marketing skills among others in order to help the clients improve on the capacity to manage their businesses efficiently. MFI's operate in order to provide regional balance, equal distribution of wealth and reduce income gap that exist among the population especially between men and women in Uganda (Ahurira, 2018). For instance in Tanzania, micro credit schemes were established to boost the popular socialist plan UJAMAA (Suleiman, 2014; Mwakajumilo, 2011). They assisted people in purchasing equipment, seeds, fertilizers and education facilities (Suleiman, 2014; Mwakajumilo, 2011).

Furthermore, Churk (2015) studied how Microfinance loan services helped to improve rural livelihoods in Tanzania's Makungu ward of Iringa. A 100-household survey, four group talks, and 20 key informant interviews were used in the study's mixed method approach. According to Churk (2015), Microfinance loan services have done very little to advance rural livelihoods. As a result of their heavy reliance on weather-dependent agriculture, many Microfinance members failed to repay their loans. Additionally, some of the informants claimed that their financial situation had gotten worse since joining the Microfinance because they frequently needed to borrow money from other sources in order to repay the loans; they had taken from the Sacco in order to prevent the freezing of their assets. Churk (2015) attributed this incident to the possibility that members may not have received adequate education at the time they applied for the loans. Additionally, the informants did not observe any distinctions between Micro Finance members and non-members in terms of social or economic life. Churk (2015) contends that rather than concentrating primarily on the business sector, Microfinance Institutions must develop methods to address issues like inadequate human capital, insufficient physical capital, insufficient financial capital, and insufficient human capital in order to eliminate rural poverty.

Expand poor women's access to financial services, including credit savings and in some cases insurance and remittances. These services can support enterprise start up and expansion, enable the risk taking that

can lead to financial profitability by allowing the poor women to accrue savings, build assets and smooth out consumption (Aigbokhan, 2011).

Various researchers in MFI's sector have proved that it is very important tool to boost economic growth, to counteract the effects of economic instability and to empower women (Nghiem, 2012; Pitt, 2014; Nguyen, 2015). MFI's Programmes target women cost efficiency rationale, it has also been confirmed through studies that women's repayment rates are much higher than men. Secondly equity inters of employment opportunities among men and women is very important issue especially in developing countries and thirdly as women are more concerned about the well-being of their family so investing in them creates a "multiplier effect" that improves the effectiveness of credit funds (Nghiem, 2012; Pitt, 2014; Nguyen, 2015)

According to AMFIU (2009), loan insurance cover helps safe guard clients from natural calamities. However it is more operational with agricultural, consumption and housing loans. Specialized MFI's like Uganda trust bank was also opened to help unprivileged race (female) to become independent business people. MFI's are the only kind of institutions to give support to the financially handicapped poor to operate small holdings/ businesses so as to improve their performance. Many small businesses in the country and the world at large have taken the opportunity of the availability of small and short term loans to make economic advancement never before thought possible by anybody peter AMFIU, 2009; Flynn, 2013) .

According to Ahurira (2018) employment creation, the MFI's have made a significant contribution to creation of employment levels and also welfare improvement of the people especially women. The MFI's provide employment opportunities to approximately 90% of the school drop outs, retired and retrenched civil servants, the skilled un employed, women and army veterans. Potential for financial sector deepening, one of the outcomes of the financial sector reforms was collapse of some of the weak banks such as Greenland, cooperative bank which created a gap in provision of financial services especially in rural areas. The restructuring and divesture of Uganda commercial bank also led to the closure of most of the unviable rural branches. The Microfinance Institutions stepped in to provide savings and credit services to the underserved population (Ahurira, 2018).

## 5. METHODOLOGY

A cross section research design was adopted where quantitative approach was employed. The researcher used MUDSCO in Matura sub-county in Mitooma District as a case study because it focused on particular problem with in a limited time frame. The quantitative method of data collection was used to analyze and present numerical data in form of graphs and tables (Cohen, 2017; Kothari, 2004)

The study was done at MUDSCO in Mutara Sub County, Mitooma district located in South Western Region of Uganda. The researcher decided to use this area in order not to cost her a lot while collecting data. MUDSCO was used as a case study. The study comprised of MUDSCO clients, shareholders, officials of MUDSCO, Board Members and majorly focusing on women and about the economic empowerment of women in Mutara sub-county and in Mitooma District in general. The sample population was 160 registered members. Using the Krejcie & Morgan (1970) table sample sizes, this resulted into sample size of 113 members.

**Table 1.1: Showing the sample size.**

| Category of respondents | Target population | No of respondents |
|-------------------------|-------------------|-------------------|
|-------------------------|-------------------|-------------------|

|             |     |     |
|-------------|-----|-----|
| Sacco staff | 04  | 02  |
| Clients     | 156 | 111 |
| Total       | 160 | 113 |

**Source: Primary data 2025**

### Sampling Technique

Simple random sampling and purposive sampling was used. Simple random sampling helped to give chance to all respondents to participate and also helped the researcher to get a representative sample. Questionnaire survey method was used in data collection while Questionnaire was used as research instrument.

For data analysis Quantitative data was entered into the computer and analyzed using Statistical Package for Social Scientists (SPSS). Following data entry, data was cleared by running frequencies of all the variables to check for incorrectly coded data. Incorrectly coded data was double checked with the raw data in the questionnaires and was corrected. It also included editing, coding and tabulation of data by use of MS Excel with variables frequencies and percentages were drawn to ensure clear and easy presentation of research findings. On receipt of each questionnaires, editing was done to ensure that the information given in pre coded questions was completed and correctly filled in. All questionnaires were numbered to make coding easier. After editing, coding was done for easy analysis and interpretation of findings.

## 6. RESULTS

### Contribution of MUDSCO to Economic Empowerment

**Table 1.2: Showing MUDSCO Products and Services and Economic Empowerment**

| <b>Contribution of MUDSCO to Economic Empowerment</b>   |                    |                   |
|---|--------------------|-------------------|
|   | <b>Respondents</b> | <b>Percentage</b> |
| Expansion of poor people’s access to financial Services | 35                 | 31%               |
| Increasing women’s income                               | 18                 | 16%               |
| Have helped in increasing productivity                  | 12                 | 10.6              |
| Increased decision making                               | 10                 | 8.8               |
| Increased skills, access and control over income        | 10                 | 8.8               |
| Increased value addition                                | 10                 | 8.8               |
| Has improved and created self-esteem on part of women   | 5                  | 4.4               |
| Increased access to market information                  | 5                  | 4.4               |
| Have helped to create decent jobs for women             | 8                  | 7.1               |
| <b>Total</b>  | <b>113</b>         | <b>100</b>        |

**Source: Primary data 2025**

Research findings indicated that expanding poor people’s access to financial services in the main

contribution of (MUDSCO). This was mentioned by 31% of respondents, 16% mentioned that MFI'S have played a great role in increasing incomes of women, 10.6% said that MFI's have helped in increasing productivity, 8.8% talked of increased decision making, another 8.8% mentioned that Microfinance Institutions have increased skills, access and control over income, 8.8% said that MFI's have increased value addition, another 4.4% mentioned that MFI's have improved and created self-esteem on part of women, 4.4% said that MFI's have increased access to market information and 7.1% mentioned that MFI's have helped to create decent jobs for women.

## 7. Discussion

### **Contribution of MFI's Services to economic empowerment of women of Mutara Sub-County.**

During the study it was revealed that MUDSCO members were not economically empowered before joining MUDSCO and were facing many challenges in economic aspects for example they never enjoyed independence in decision making, they were not owning assets, they were not having access to and control over income among others. It was also revealed that people joined MUDSCO to expand their businesses followed by smooth cash flow.

The findings also revealed that MUDSCO has given them power to do very many economic activities such as growing of crops, rearing of animals, they have businesses among others. These findings contend with Jo Rowland's theory of empowerment 1997 that MFI's give power over the ability to coerce and influence the actions and thoughts of powerless, power to the capacity to act, organize and change existing hierarchies, power with increased power from collective action, social mobilization and alliance building, and finally power from within increased individual consciousness, self-dignity and awareness.

These findings also contend with William's theoretical model of empowerment which says that the main elements of empowerment are agency, resources and achievement as respondents agreed that MUDSCO has helped them to accumulate a lot of resources and to attain a positive achievement in economic activities such as agriculture.

Research findings revealed that MFI'S foster access to savings and credit facilities, reduce poverty of the members. Respondents argued that MUDSCO has helped them to come together and to access credit facilities which helped them to carry out economic activities due to availability of capital which is in line with Ahurira, 2018; Herath, 2015; Patel et al., 2018; and Sinha et al. 2019 who argued that MFI'S are viewed as important tools for improving the living conditions of women. Hence MFI'S accord member's opportunity, protection and economic empowerment-essential elements in uplifting them from degradation and poverty.

In addition, findings revealed that MUDSCO is specifically seen as significant tool for the creation of decent jobs and for the mobilization of resources for income generation. Respondents argued that they have been able to be employed in MUDSCO and hence earn income. This response is in in line with Memon, 2021; Nyakambi, 2014; Kim, 2018, who argued that MFI's provide direct benefits to members, MFI's strengthen communities in which they operate. MFI's are specifically seen as significant tools for creation of decent jobs and for the mobilization of resources for generation. It is estimated that MFI's employ more than 100 Million Worldwide.

Furthermore respondents argued that MUDSCO has empowered women through nurturing them to have self-esteem this has helped them to learn approaches on how to tackle challenges. This finding is in line with Kebede, 2019; Pitt, 2014; Roodman 2014, who argued that MFI's provide an opportunity for self-

determination and empowerment of poor people. They foster culture of good citizenship and enable members to have a voice and participate in a democratic process, thus having empowering development effect beyond their economic benefits.

More so the findings revealed that MUDSCO expanded poor women's access to financial services. This is in line with Herath, 2016; Hossen, 2019; Miled, 2018; Yunus's, 2008, who said that MFI's expand poor people's access to financial services, including credit savings and in some cases insurance and remittances. These services support enterprise start up and expansion, enable the risk taking that can lead to increased profitability and reduce vulnerability by allowing poor women to accrue savings, build assets and smooth out consumption. MFI'S are one of the largest providers of financial services reaching 78 million people living.

## 8. Conclusion

It was concluded that before MUDSCO members joined the SACCO, they were not economically empowered as the respondents said that they were lacking independence in decision making, they lacked access to and control of income, and they were not owning assets among others. The respondents said after joining MUDSCO, at least most of the women are now experiencing independence in decision making, they own assets and have access to and control of income. Therefore these findings show that MFI's (MUDSCO) have helped to economically empower women. Women empowerment was among the strategic objectives of MUDSCO.

Majority of clients noted that MUDSCO is involved in mobilizing savings in Mutara, easy accessibility, prize giving, reasonable interest, promotions, good saving products and safety. Most members become shareholders in the respective organizations that they save with.

Hence MUDSCO offers opportunity for economic empowerment. It is concluded that the contribution of Microfinance Institutions on economic empowerment of women was indicated by MUDSCO clients getting more involved in different economic activities, having well-furnished semi-permanent, having telephones, bicycles, and few households with cars, using solar as a source of electricity, accessing to safe drinking water at their home which are all indicators of improved standards of living and empowerment.

## 9. Recommendations

### Recommendations to the MUDSCO.

MUDSCO should allow the members to participate more and reduce on the interest rates charged on loans. MUDSCO should avail more credit facilities to women. Also training of women should be done to allow access and equal awareness about MUDSCO.

People who are not in MUDSCO or other women who are not members of the cooperatives are called upon to join different MFI's because it will help them to get access to economic well-being through increasing income.

MUDSCO should mobilize adequate capital to meet all financial needs of all members' especially high income earners so that they can stay in the MUDSCO.

Appropriate periods for borrowers to repay back their loans should be granted. This is to help borrowers have enough time to work and maximize their returns and later pay back to the financial institutions other than stressing seizure of the pledged assets of the borrowers in case they fail to pay back.

### Recommendations to the Government

The government should put enough attention to MFI'S in terms of financial and technical assistance and also the government should reduce taxes on MFI's especially from rural economy.

The government should strengthen the links between rural and urban women's empowerment process in all districts of the country. Such strengthening implies an increased understanding and awareness of potential contribution of MFI's to the critical economic empowerment process, awareness and understanding has to be increased within every establishment but even more importantly among those responsible for the formulation and executive of MFI's and empowerment policies.

The government policies should be designed to ensure adequate support of women's MFI's in all parts of the country and emphasis on rural penetration of women's MFI's. More efforts should be put on sensitizing the communities on MFI's and organize training and meeting of the organizations that have in their programs to care for women

Finally the government should take some measure about enlightening the members through continuous, persistent and systematic education efforts should be made for stance adult literacy programmed more especially on how to design projects, how to utilize the acquired credit facilities properly among others.

### Recommendations to Communities

The communities should recognize empowerment of women and eliminate all forms of discrimination basing on sex so that women can be integrated and participate in all activities of the community. It should also facilitate the economic function of women when participating in all activities required by the society

### Reference

1. Abrar, A. (2019). The impact of financial and social performance of microfinance institutions on lending Academic Review, 2(2), 76-95. Academic Review, 2(2), 76-95.
2. Ahimbisibwe, D. (2018). The Use of Credit funds from SACCO and growth of Small - Scale Enterprise : Association versus Differentiation. The Journal of finance Research, 8(2), 4-6.
3. Ahurira, E. (2018) Savings and Credit Cooperatives (SACCOs) and poverty alleviation among SACCO members in Jinja District. A dissertation submitted to the School of Management Science in partial fulfillment of the requirements for the award of a master's degree in business administration of Uganda Management Institute.
4. Aigbokhan, B. E., and Asemota. A (2011). An assessment of microfinance as a tool for
5. Ali, A. M., & Yusof, H. (2012). Quality in qualitative studies: The case of validity, reliability and generalization. Issues in Social and Environmental Accounting, 5(1/2), 25-64. Retrieved from <http://www.iiste.org/Journals/index.php/ISEA/article/view/952>
6. AMFIU (2002). Development of uniform performance indicators and reporting standards for the micro finance industry in Uganda. Working document, 3<sup>rd</sup> Draft. January 2002.
7. Anderson (1998). Small scale business and commercial banks in Uganda. Kampala, Makerere University press.
8. Andy c Hannes M, Andrew O Walter R, Elizabeth R (2001) Micro finance in Uganda; Commissioned by Austrian ministry of foreign affairs. Department for Development cooperation. Asia-pacific economic cooperation small and medium enterprises ministerial meeting.
9. Annim, S. K. (2018). Outreach and the poverty-reducing effect of microfinance in Ghana. Enterprise
10. Boss, S and Ali, S.A. (2014). Microfinance Industries in Emerging Economies. A Comparative

- Investigation into Effectiveness as a tool of Poverty Reduction. *Journal of Accounting, Ethics and Public Policy*, Vol. 15, pp. 55-75
11. Churk JP (2015). Contributions of savings and credit co-operative society on Improving Rural Livelihood in Makungu Ward Iringa, Tanzania. Proceedings of the second European Academic Research Conference on Global Business, Economics, Finance and Banking (EAR15Swiss Conference). Zurich-Switzerland, 3-5 July 2015 Paper ID: Z550
  12. Cohen, L., Manion, L., & Morrison, K. (2007). *Research methods in education* (6<sup>th</sup> Ed.). New York, NY: Routledge.
  13. Daily Nation (2010) by mwanikawahome storm brews over new tea growers financiers by KTDA (Kenya tea development agency).
  14. Denis (2012), business without Glamour? Analysis of resources on performance by size and age in small service and retail firms, *journal of business venturing. Development and Microfinance*, 29(2), 145–171.
  15. Flynn Rebecca (2013), A Case Study of Rural Finance Self-Help Groups in Uganda and Their Impact on for Economics and Business Administration, Kobe
  16. Gatachew mergiatache (2012) sustainable Sacco development training material.
  17. Ghalib, Asad K. (2013). How effective is microfinance in reaching the poorest? Empirical evidence on
  18. Goey, H (2012). The Social Impact of Microfinance: What Changes in Well-Being are perceived by Women Group Borrowers after Obtaining a Group Loan? A participatory rural appraisal in Dar es Salaam Region,
  19. Habte, A. T. (2016). The Impact of Microfinance on Household Livelihoods : Evidence from Rural Eritrea. A
  20. Halunah, F. (2016). Assessment of credit on performance of SMEs in developing countries. *Journal of management*, 8(9), 26-29.
  21. Herath, H. M. W. A., Guneratne, L. H. P., & Sanderatne, N. (2015). Impact of microfinance on women's empowerment: a case study on two microfinance institutions in Sri Lanka. *Sri Lanka Journal of Social Sciences*, 38(1), 5161.
  22. Herath, H. M. W. A., Guneratne, L. H. P., & Sanderatne, N. (2015). Impact of Microfinance on women's empowerment : a case study on two Microfinance Institutions in Sri Lanka. *Sri Lanka Journal of Social Sciences*, 38(1), 5161.
  23. Hossen, A., Miah, M. R. & Ruhi, R. A. (2019). Contribution of Microfinance on Poverty Alleviation in Bangladesh. doi:10.20944/preprints201911.0045.v1
  24. Ishfaq, S. & Jamil R. A. (2015). The Role of Microfinance in Poverty Reduction: Evidence from South Asia. Research Gate. Retrieved from <https://www.researchgate.net/publication/286440242>
  25. Ishfaq, S. & Jamil R. A. (2015). The Role of Microfinance in Poverty Reduction: Evidence from South Asia. Research Gate. Retrieved from <https://www.researchgate.net/publication/286440242>
  26. Islam, A., Nguyen, C., and Smyth, R. (2015). Does Microfinance change informal lending in village economies? Evidence from Bangladesh. *Journal of Banking and Finance*, 50, 141– 156. Islands Of British West.
  27. Izah, M.T. and Siti, N. T. (2014). Efficiency and Productivity Analysis of Microfinance Institutions in Cambodia
  28. J. Ledger wood, dburand and G Buran (weds) (November 2002). The micro deposit taking

- institutions bill 2002. Summary of workshops and information exchange events. Journal of Finance and Banking Issues, Vol. 5. No. 5. [Online]. Available:
29. Katsushi, I, Thankom, A, Samuel K. (2010) Microfinance and Household
  30. Kebede, M., & Regassa, N. (2019). Women's Access to Microfinance Services in Southern Ethiopia: Assessing the Promises, Impacts, Challenges and Gaps. In Efficiency, Equity and Well Being in Selected African Countries (pp.149165).Springer, Cham.
  31. Khan, M.A. & Rahaman, M.A. (2007). Impact of microfinance on living standards, employment and poverty reduction for poor. A case study on microfinance in the Chittagong district of Bangladesh. Umea School of Business, Department of Business, Sweden.
  32. Khan, W., Shaorong, S., & Ullah, I. (2017). Doing business with the poor: The rules and impact of the microfinance institutions. Economic Research-Ekonomska Istraživanja, 30(1), 951–963. <https://doi.org/10.1080/1331677X.2017.1314790> [Taylor & Francis Online], [Web of Science ®], [Google Scholar]
  33. Kim, N. T., Long, L. H., & Sang, N. M. (2018). Evaluating the Efficiency of Micro finance Institutions in Vietnam and the Impact of this Efficiency on Poverty Reduction. In Global Tensions in Financial Markets (pp.167181).Emerald Publishing Limited..
  34. Kothari, C. R. (2004). Research Methodology, Methods and Techniques, New Delhi, Bangalore, 400pp.
  35. Kyale,M.S.(2013).Impact of microfinance institutions on growth and development of SMEs in Machakos town. Unpublished PhD thesis, university of Nairobi.
  36. Mars. (2015). Mars Chocolate: Women's Empowerment Plan. <http://www.mars.com/global>.
  37. Mbololo, F. (2013). Microfinance awareness and impact in Kenya: a case study of
  38. Meenu, A (2010) Microfinance Intervention- An insight into related
  39. [Memon, S.B.](#) and [Seaman, C.](#) (2021), "Empowering Women through Microfinance Banks in Rural Areas of Pakistan", [Rezaei, S.](#), [Li, J.](#), [Ashourizadeh, S.](#), [Ramadani, V.](#) and [Gërguri-Rashiti, S.](#) (Ed.) The Emerald Handbook of Women and Entrepreneurship in Developing Economies, Emerald Publishing Limited, Bingley, pp. 391-408. <https://doi.org/10.1108/978-1-80071-326-020211020>
  40. Miled KBH, Rejeb JEB (2018) Can Microfinance Help to reduce poverty? A Review of Evidence from developing countries. Journal of Knowledge Economy 9(2):613-635.
  41. Mjomba, E. (2011). Microfinance and Financial empowerment of women in Kenya: Mobilization, Investment and Poverty Reduction. A Case of Savings and
  42. Murraray (2005) financing small and medium enterprises in Myanmar.
  43. Mwakajumilo, S.L.I. (2011). The Role of Informal Microfinance Institutions in Saving Nairobi County University of Nairobi unpublished MBA project
  44. Nghiem, S., Coelli, T., and Rao, P. (2012). Assessing the welfare effects of microfinance in Vietnam: empirical results from a quasi-experimental survey. Journal of Development Studies, 48(5), 619–632.
  45. Nicholas (2010) financing of micro and small enterprise in Uganda. A paper presented at the ACCA seminar in Uganda held on 18<sup>th</sup> September 2003.
  46. Nuwagaba, A. (2012). Savings and Credit Cooperative Societies (SACCOS) As a Source of Financing Agriculture. Challenges and Lessons Learnt. Journal of Environment and Earth Science.ISSN 2224-3216 (Paper) ISSN 2225-0948.

47. Nyakambi, A. G. (2014). Effect of microfinance credit on poverty alleviation at house hold level in Nakuru County. Unpublished MBA project, university of Nairobi.
48. Nyakambi, A.G. (2014). Effect of microfinance credit on poverty alleviation at
49. Nyarondia Samson Mecha, 2017. Effect of Microfinance on poverty reduction: A critical scrutiny of theoretical literature. Business studies, Rongo University, P.o Box 103-40404, Rongo Kenya from rural Bangladesh. City University, London, UK of the Western Cape, 270pp.
50. Okibo, B.W. Makanga, N. (2014). Effects of micro finance institutions on poverty Path in Poverty Alleviation? SAGE Open, 9(2), 1-15
51. Patel,R.,Patel,M.,& Patel,N.(2018).Impact of Microfinance on poor women: Lessons from North Gujarat. Prabandhan: Indian Journal of Management,11(2).
52. Pitt, M. M. (2014). Response to “The impact of microcredit on the poor in Bangladesh: revisiting the evidence”. Journal of Development Studies, 50(4), 605–610.
53. Rathnayake, K. M. N. D., Fernando, P. I. N., & Fernando, A. G. N. K. (2019). Impact of Microfinance Services on Growth of Micro Small and Medium Scale Enterprises (With Special Reference to Micro Small Medium Scale Enterprises in Kalutara District).
54. Roodman, D., and Morduch, J. (2014). The impact of microcredit on the poor in Bangladesh: revisiting the evidence. Journal of Development Studies, 50(4), 583–604.
55. Rooyen, C., R. Stewart, & T. de Wet. (2012).The impact of microfinance in Sub-Saharan Africa: A systematic review of the evidence. World
56. Samer,S.,Majid,I.,Rizal,S.,Muhamad,M.R.,&Rashid, N.(2015).The impact of microfinance on poverty reduction: Empirical evidence from Malaysian perspective. Procedia Social and Behavioral Sciences,195,721728.
57. Sinha, M., Mahapatra, S. S., Dutta, A., & Sengupta, P. P. (2019). Microfinance and Women Empowerment: An Empirical Analysis. In Handbook of Research on Micro financial Impacts on Women Empowerment, Poverty, and Inequality (pp. 5264).IGI Global.
58. Stewart R, van Rooyen C, Korth M, Chereni A, Rebelo Da Silva N, de Wet T (2012)Do micro-credit, micro-savings and micro-leasing serve as effective financial inclusion interventions enabling poor people, and especially women, to engage in meaningful economic opportunities in low- and middle-income countries. A systematic review of the evidence. London: EPPI-Centre, Social Science Research Unit , Institute of Education, University of London.
59. Suleiman, D.M. (2014). The Determinants of access to microfinance loans in Tanzania: A case of Mwanza City. Unpublished Master of Science in Accounting and Finance dissertation. Mzumbe
60. UBOS (2018). Uganda National Household Survey 2016/2017. Kampala, Uganda: UBOS. Available at: [https://sun-connect-ea.org/wp-content/uploads/2018/12/2017\\_UNHS\\_2609\\_2017-Final\\_Presentation.pdf](https://sun-connect-ea.org/wp-content/uploads/2018/12/2017_UNHS_2609_2017-Final_Presentation.pdf) UBOS (2017). Statistical Abstract. (Kampala, Government of Uganda)
61. Uganda Cooperative Alliance (2003). Cooperatives made easy. Kampala, UCA/CRFS Unit. University of Nairobi. University. Unpublished Doctoral Thesis, St Clements University, Turks and Caicos unpublished MBA Project.
62. Wang, J., and Ran, B. (2019). Balancing Paradoxical Missions: How Does Microfinance Rebuild a Sustainable Path in Poverty Reduction? SAGE Open, 9(2), 1-15
63. Wolocotts (2009) supply side study of financial inclusion in Malawi.
64. Yunus M, 2008. Grameen Bank, Micro credit and Millennium Development Goals. Retrieved from [www.grameen.comwww.grameen-info.org](http://www.grameen.comwww.grameen-info.org).