

## **Empowering Women Through MFIs in Tanzania: Myth or Reality? Evidence from Empirical Literature Review**

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**Abstract:** *This paper presents the analysis of the role of microfinance institutions on women empowerment in Tanzania from the empirical literature review. The paper identifies the variables of women empowerment related with MFIs and suggests the gaps to be filled by the future studies in Tanzania. Finally, the paper concludes whether is a myth or reality in using MFIs to empower women in Tanzania.*

**Keywords:** Women empowerment, MFIs, Tanzania

### **Introduction**

Badugu and Tripathi (2016) defined Microfinance as the provision of credit, savings, insurance, remittance, training and other related financial services to the poor and disadvantaged groups of individuals including women and people with disability. Therefore, Microfinance institutions (MFIs) are institutions which have been established to provide the Microfinance services to the poor and disadvantaged people (Khan, Sajid and Rehman, 2011).

Kabeer (2005) asserted that empowerment occurs when the least privileged people in the society gain access to productive resources, earning opportunities, goods and services and participate in the development and decision-making process. Malhotra, Schuler and Boender (2002) classified the empowerment into economic, socio-cultural, familial/interpersonal, legal and psychological categories and they further classified the empowerment into household, community and national levels (More details of the variables are indicated in Appendix 1).

Sheikh, Meraji and Sadaqat (2016) stated that women empowerment is a dynamic and multidimensional process that promotes women to realize their full potentials in aspects of independence, decision-making ability and control of resources. Empowerment of women through MFIs coincides with empowerment theory which was established by Rappaport (1981) who emphasized that empowerment occurs when individuals access opportunities, make decisions and allocate resources independently. This theory was later developed and used by various scholars including Sevefjord and Olsson (2000), Malhotra *et al* (2002), Shakya (2016) and Mecha (2017), to mention but a few.

MFIs in Tanzania serve women of different categories such as youths, married, head of the families and those with disabilities (Kaaya and Magali, 2018). Fletschner and Kenney (2011) asserted that a woman acquires the family head status if she has the ability to make all decisions, if she is the main provider of the family due to male's illness or unemployment, or when the female's spouse is temporarily or fully absent and woman run the households on his behalf. Some studies, for example, Ayen (2016), Chirkos (2014) and Mahmood, Abbas and Fatima

(2017) studied the role of MFIs on the empowerment of female-headed households. However, some studies argue that female-headed households face some challenges when using MFIs services. These challenges include high-interest rates, cultural barriers and discrimination (Cheng and Ahmed 2014; Giang, Wang and Chien 2015; Siyoum, Hilhorst and Pankhurst, 2012).

Magali (2018) argues that establishment of semi-formal and formal MFIs after the financial liberalization in the 1990s has promoted the accesses of financial services to the majority of Tanzanians who were denied access before. Therefore, provision of financial services to the disadvantaged groups enabled them to access loans, savings, insurance and training services. The loans from MFIs are used as capital in agriculture, production, and business. The loans also enable the MFI clients to own assets, increase the number of meals per day, and income (Mwanga, 2016). MFIs also offer various training programmes to their members. The training covers issues related to MFIs, loan management and social-economic aspects such as health, legal right, political rights and other relevant issues (Magali, 2018). Verhan, Magesa, and Akidda (2014) reported that training VICOBA clients, one of MFIs in Arusha region in Tanzania have empowered its clients to participate in economic activities and to make decisions. Amin, Wahab, Mazumder and Su (2014) asserted that training leaders and clients in MFIs improved their literacy in health and other social issues. Addai (2017) reported that MFIs services of training, insurance and saving services empowered the women in Ghana. Samandar (2014) asserted that MFIs in Ghana provided women with training, credit, insurance and saving services and hence empowered them in terms of boosting their self-esteem and self-confidence and assets' ownership.

Pomeranz (2014) asserted that MFIs in developing countries have played a great role in providing the credits, insurance, and savings in and hence have empowered women. However, there are still gender gaps since the majority of MFIs beneficiaries are men and sometimes borrowing a loan from MFIs for married couples requires men's authorization in some countries. Shaheen, Hussain and Mujtaba (2018) revealed that the MFIs empowered the women positively by reducing their dependencies and have empowered them to meet their children's expenses in Pakistan.

United Nations (UN, 2009) asserts that women almost everywhere in the world are disadvantaged relative to men in terms of their access to assets, credit, social network, employment and education. Khan and Noreen (2012) revealed that about 70 percent of World's poor are women and about 60 percent of women have no access to credit and other financial services. Arunachalam (2007) argued that despite women having very little access to assets, some Microfinance Institutions (MFIs) in Uganda demanded collateral against which loans are disbursed. This condition increased debts to women and made women be less empowered than men. World Food Programme (WFP, 2017) asserted that access to various services to women smallholders in Tanzania such as post-harvest technologies, financing, insurance, information, extension services and inputs is limited. Richardson (2018) asserted that since it is difficult to measure women empowerment and recommended that researchers should devise comprehensive and most accurate measures of empowerment which will be comparable in all settings.

The empirical literature shows that there is no consensus on whether the MFIs influence women empowerment. Scholars have reported both positive and negative influence of MFIs on women

empowerment in various countries. Most studies by such scholars reveal that MFIs influence women empowerment economically. Examples include: Modi, Patel and Patel (2014), Mula and Sarker (2013) and Poominathan, Amilan and Muthukrishnan (2016) in India; Wanjiku and Njiru (2016) in Kenya; and Ndawi, Mtindya, Mwasebya, Ngoboka, Ndekwa, and Kalugendo (2018), Shekilango (2012), Gwahula and Mrema (2016), Kyara (2013) and Mwanga (2016) in Tanzania. Other studies focused on economic and social dimensions; for example, Gnawali (2018) in Nepal, Addai (2017) in Ghana, Rathirane (2017) in Sri Lanka, Aruna and Jyothirmayi (2011) in India, Shakya (2016) in Nepal and Fwamba, Matete, Nasimiyu, and Sungwacha (2015) in Kenya, to mention but a few. Moreover, Josephat, Fulment and Matunga (2017) reported the influence of MFIs on the socio-cultural, legal and familial/interpersonal empowerment dimensions in Tanzania.

Moreover, some studies show a negative influence of MFIs on women empowerment. For example, Arunachalam (2007) argued that MFIs in Uganda have increased the debts for women and stress in loan repayment when there is a poor performance of loans' economic activity (Frohberg and Müller 2007), confiscation of assets which increases the level of the poverty to the clients (Magali, 2013) and workload increase among women (Kato and Kratzer, 2013). Goetz and Gupta (1996) argue that women lacked the ability of loan control, while Rahman (1998) reports the increase of violence for women who participated in Grameen Bank. In addition, Driscoll (2010) asserted that MFIs is not a means of reducing violence for women in developing countries while Ringkvis (2013) revealed that the size of the loan reduced the women empowerment in Burma. However, some of the scholars found no influence of MFIs on women empowerment. Examples of such studies include: Vaessen *et al.* (2014), Awaworyi (2014), and Tarozzi, Desai and Johnson (2015). This paper assesses if there is evidence of women empowerment caused by MFIs in Tanzania. At the end of the paper, the paper will answer the question whether empowering women through MFIs in Tanzania is a myth or reality?

## **Statement of the Problem**

Various studies have examined the role of MFIs on women empowerment in Tanzania, examples of which include Shekilango (2012), Kyara (2013), Kato and Kratzer (2013), Magali (2013), Gwahula and Mrema (2016), Mwanga (2016), Josephat *et al.* (2017) and Ndawi *et al.* (2018). However, to the best of the researcher's knowledge, there is no comprehensive study which has analysed these studies to unearth the role of MFIs on women empowerment in Tanzania. Such an analysis is important because it will explicitly identify the variables used in previous studies and reveal the research gaps for future studies. This paper is designed to serve such a purpose.

## **The objective of the paper**

The main objective of this paper is to investigate, from the empirical literature review, the studies that were done to assess the role of MFIs on women empowerment in Tanzania. The paper specifically concentrates on the coverage of variables from the studies done to assess the role of MFIs on women empowerment in Tanzania and beyond based on the broad range of

variables outlined by Malhotra *et al.* (2002). The paper also identifies the gaps of variables from the studies done to assess the role of MFIs on women empowerment in Tanzania. At the conclusion the paper asserts whether the studies done in Tanzania on the role of MFIs on women empowerment describe adequately all variables related to women empowerment. Moreover, the paper will ascertain whether using MFIs to empower women in Tanzania in a myth or reality. Finally, the paper links the role of MFIs, women empowerment to the empowerment theory.

## **Methodology**

This paper used the empirical literature from the studies done to assess the role of MFIs on women empowerment worldwide. The databases used to download the articles include ScienceDirect, Emerald, JSTOR, ResearchGate, Google scholar, Taylor and Francis and SAGE. The search words were: Women empowerment, MFIs and women empowerment, women empowerment and Tanzania, the role of MFIs in women empowerment and MFIs and women empowerment and Tanzania. By using the search word and articles' database, 107 papers were retrieved. However, the papers which were included in the study were those which possessed the required information regarding women empowerment. The criteria for inclusion were studies which: were recently published (which are published from 2010 onwards); analyzed the role of MFIs services on women empowerment; linked clearly the role of MFIs on women empowerment and variables of women empowerment; analyzed multiple empowerment variables; and described the empowerment theory. Studies from Tanzania were also given high priority. Therefore, only 53 papers met such criteria and were used in the analysis. Then the discussion of the findings was done to identify the empowerment variables and the studies' gaps.

## **Literature Review**

### **The Theory of Empowerment and the role of Microfinance Institutions**

Julian Rappaport was the first scholar to introduce the concept of empowerment theory in 1981. According to Rappaport (1981) empowerment is obtained when people in a particular community increase their autonomy and self-determination. Rappaport (1981) further asserted that empowerment makes people more independent and able to make decisions and at the same time. It makes them able to allocate their resources independently. Various scholars later developed this theory. An example of such scholars is Sevefjord and Olsson (2000) who asserted that empowerment is gained when an individual gain the ability to make strategic choices.

Malhotra *et al.* (2002) added more variables of the empowerment theory and they classified the variables of women empowerment into individual, community and a broader level. According to Malhotra *et al.* (2002), empowerment should be considered in a holistic view in terms of economic, socio-cultural, familial/interpersonal, legal, psychological and political dimensions at individual, community at a broader level. Subsequently, various scholars have assessed the role of microfinance on the empowerment, linking it to the empowerment variables of Malhotra *et al.* (2002). To list a few; scholars who linked Malhotra *et al.* (2002)'s empowerment variables and the role of MFIs are Shakya (2016) who stressed that MFIs empower women by increasing their self-reliance, independence, decision-making ability and

resources control, leading to their improved livelihood. Another study by Mecha (2017) found that MFIs empower youths by creating employment, offering leadership opportunities and building skills. Thus, this study will link the empowerment theory, broader variables of empowerment of Malhotra *et al.* (2002) and the roles which MFIs play to empower women in Tanzania

### **Empirical literature review**

Various scholars agree that MFIs has managed to empower women worldwide, for example, Poominathan *et al.* (2014), Shakya (2016), Addai (2017), Gnawali (2018), Ndawi *et al.* (2018), to mention but a few). Based on Malhotra *et al.* (2002)'s empowerment variables, this paper synthesizes the articles done to assess the role of MFIs on women empowerment by using the recently published articles (from 2010 onwards), and studies done in Tanzania. The grouping of the variables is presented in the following section:

#### **Women Economic empowerment from MFIs**

The studies which covered the MFIs economic variables are Khan *et al.* (2011) who revealed that microcredit empowered women to access the education and health services, increase in income and owning of assets. Ndawi *et al.* (2018) reported women to have a control of resources in Iringa, Tanzania. Poominathan *et al.* (2016) revealed increases in women's income after participating in MFIs in Karaikal district in India. Rathirane (2017) reported improved credit access as MFIs economic empowerment for women in Sri-Lanka. Gnawali (2018) found that MFIs promoted women's well-being, access to capital and control of resources in Nepal. Addai (2017) reported that MFIs empowered women economically in terms of providing the credit, savings opportunity and insurance services in Ghana. Fwamba *et al.* (2015) disclosed that MFIs in Kenya promoted self-employment, increase in savings, control over resources, and access to microcredit services for women. Wanjiku and Njiru (2016) revealed that MFIs in Kenya provided start-up and working capital and savings opportunities for women.

In Tanzania, the studies which reported women empowerment are Mwanga (2016) who revealed that MFIs empowered women in terms of assets' ownership, access to, and increase of, business capital and access to education and health services. Shekilango (2012) revealed that MFIs empowered women to access business capital and own assets. Gwahula and Mrema (2016) reported that MFIs enabled saving, loan access, and reduced interest rate for women and Ndawi *et al.* (2018) reported that MFIs empowered women by increasing business capital, improving standard of living, enabling the access and control of resources and boosting the economic activities of women in Tanzania. Josephat *et al.* (2017) revealed that MFIs empowered women in terms of contribution and control of family income, loan access and assets ownership in Tanzania.

#### **Women Socio-Cultural empowerment from MFIs**

Scholars reported that MFIs empowered women in terms of making improvement of socio-cultural variables such as training and literacy reduction (Addai, 2017; Rathirane, 2017; Wanjiku and Njiru, 2016; Mwanga, 2016; Vasantha, 2015; Khan *et al.*, 2011; Fwamba *et al.*, 2015), taking part in economic and social decisions (Gnawali, 2018; Wanjiku and Njiru, 2016; Mwanga, 2016) and reducing the harsh condition for women (Gwahula and Mrema, 2016).

### **Women Familial/Interpersonal empowerment from MFIs**

The women MFIs variables which indicate the familial/interpersonal empowerment are: becoming more economically independent and increase of the bargaining power (Vasantha, 2015; gaining self-confidence (Vasantha, 2015; Khan *et al.* (2011). Moreover, Josephat *et al.* (2017) reported that women were empowered on interpersonal dimensions which include decision-making ability in the households and familial dimensions including control over sexual relations and other marriage-related decisions after their participation in MFIs activities.

### **Women Legal empowerment from MFIs**

Josephat *et al.* (2017) revealed that MFIs in Kondoa district Tanzania empowered women on legal dimensions such as the ability to use judicial system and participation in legal literacy campaigns and awareness, rule-making forums, public hearings, and use of legal aid clinics.

### **Women Psychological empowerment from MFIs**

Khan *et al.* (2011) revealed that microcredit empowered women to recognize their self-identity. Kato and Kratzer (2013) revealed that MFIs women clients were empowered on decision-making, self-efficacy, self-esteem, freedom of mobility and increased outside home responsibilities. Gnawali (2018) and Vasantha (2015) found that MFIs boosted women's self-esteem. Gwahula and Mrema (2016) found that participation of women in PRIDE Tanzania has reduced the harsh condition for them.

Some scholars have concentrated their studies on female-headed households (FHHs) and reported both positive and negative influence of MFIs on their empowerment levels. Examples of such studies include: Ayen (2016) who reported the influence of MFIs on economic empowerment of FHHs in Ethiopia. Mahmood *et al.* (2017) found that in Pakistan FHHs who participated in MFIs earned the higher income than male-headed households. Other scholars have reported the challenges which FHHs face when participating in MFIs activities. These scholars include Cheng and Ahmed (2014) who revealed that rural credit cooperatives (RCCs) in China were discriminating the FHHs. Giang *et al.* (2015) found that poor male-headed households' microcredit borrowers were having a high probability of earning a higher income than a female-headed household in Vietnam. Chirkos (2014) reported the high-interest rates as a challenge towards female-headed households' empowerment in Ethiopia. Similarly, Siyoum *et al.* (2012) revealed that it is difficult for female-headed households to repay the loan because of higher labour charges in Ethiopia. Dupas, Green, Keats, and Robinson (2012) found that Female-headed households in Kenya were less (9%) banked than married women. Table 1 presents the summary of key studies done to assess the empowerment of women worldwide.

Table.1: Summary of key Empirical Literature

Author, Year and Country	Title of the Study	Data Analysis Methods Sample Size and Type of MFIs	Findings-MFIs Women Empowerment variables
Gnawali (2018) in Nepal	Impact of microfinance institutions in women economic empowerment: with reference to Butwal Sub-Municipality	Correlation and regression, 400 MFIs clients	MFIs empowered women by enabling access to capital and control of resources, eradicating illiteracy, participating in economic decisions and boosting the self-esteem
Rathirane (2017) in Sri Lanka	Microfinance interventions and empowerment of women entrepreneurs in Sri Lanka.	337 women entrepreneur clients, factor analysis and Linear multiple regression analysis	MFIs influenced women an empowerment through credit access, education and training
Fwamba <i>et al.</i> (2015) in Kenya	Impact of microfinance institutions on economic empowerment of women entrepreneurs in developing countries	10 MFIs and 40 MFIs clients and data were analysed by using descriptive and regression analysis	Microfinance services are a key of women entrepreneurs' economic empowerment. However, empowerment is reduced due to the low level of women participation in MFIs
Addai (2017) in Ghana	Women empowerment through microfinance: Empirical evidence from Ghana	using 500 MFIs women clients and probit model	MFIs empowered women economically and socially
Wanjiku and Njiru (2016) in Kenya	Influence of microfinance services on economic empowerment of women in Olkalou constituency, Kenya	Descriptive analysis interviewed 120 MFIs women clients	MFIs empowered women economically by providing the start-up and working capital, training, savings and decision making
Poominathan <i>et al.</i> (2016) in India	Impact of microfinance on women empowerment through self-help groups	Descriptive analysis, one-way- ANOVA, chi-square and regression analysis and 100 MFI women clients	MFIs empowered women economically in terms of income increment in Karaikal districts in India
Shakya (2016) in Nepal	Microfinance and woman empowerment	Descriptive analysis, 2 cooperative association and one MFI, sample size not indicated	52% and 78% of women in the city and village respectively were trusted to assume leadership positions and to

Author, Year and Country	Title of the Study	Data Analysis Methods Sample Size and Type of MFIs	Findings-MFIs Women Empowerment variables
			participate in decision making in their families
Vasanth (2015) in India	Microfinance through self-help group as a catalyst for poverty reduction and women empowerment.	300 clients, factor and regression analysis	MFIs empowered women to be economically independent, increased their bargaining power, and decision-making ability, knowledge, self-confidence and self-esteem
Modi <i>et al.</i> (2014) in India	Impact of microfinance services on rural women empowerment: an empirical study	205 MFIs clients and correlation and multiple regressions	MFIs in rural India influenced women on socio-economic status, life choices autonomy, and the position of women in the family and in the society.
Mula and Sarker (2013) in India	Impact of microfinance on women empowerment: An economic analysis from Eastern India.	144 MFIs clients, t-test and descriptive analysis	Income, employment, investment, savings, assets and consumption influenced the women economic empowerment
Ringkvis (2013) in Burma	Women's empowerment through microfinance- A case study on Burma	Regression analysis, about 1,000 clients	Size of the loan reduced the women empowerment
Khan and Noreen (2012) in Pakistan	Role of microfinance in the empowerment of female population of Bahawalpur District	400 clients and multiple regression analysis	Age, education of husband, number of live sons and inherited assets from the father influence women empowerment through MFIs
Khan <i>et al.</i> (2011) in Pakistan	Women's empowerment through microcredit: A case study of District Gujrat, Pakistan	75 clients, descriptive statistics and Wilcoxon Sign Rank	Microcredit empowered women in children education, health care, self-identity, literacy, budget and assets
Aruna and Jyothirmayi (2011) in India	The role of microfinance in women empowerment: A study on the SHG bank	150 borrowers and 150 non-borrowers, multivariate regression	MFIs empowered women in women's economic status, decision making



Author, Year and Country	Title of the Study	Data Analysis Methods Sample Size and Type of MFIs	Findings-MFIs Women Empowerment variables
	linkage Program in Hyderabad (Andhra Pradesh).	analysis and factor analysis,	power, knowledge and self-worthiness
Ndawi <i>et al.</i> (2018) in Iringa Tanzania	Microcredit as a strategy for poverty reduction and empowerment of women entrepreneurs	Regression analysis, 136 clients	Microcredit empowered women through increasing business capital, improving the standard of living, enabling the access and control of resources and boosting economic activities
Josephat <i>et al.</i> (2017) in Kondo District Tanzania	Women's empowerment and microfinance: Evidence from Kondo District	Descriptive and Logistic regression analysis, 415 women (214 members and 201 non-members), PRIDE, SACCOS, BRAC and VICOBA were used	Women were empowered in economic, interpersonal and familial dimensions and legal dimensions
Gwahula and Mrema (2016), Shinyanga, Tanzania	Assessing the role of microfinance on women empowerment: A case of PRIDE (T) – Shinyanga	92 women clients, PRIDE Tanzania, regression analysis	MFIs reduced harsh condition, equipped entrepreneur skills, enabled saving, loan access and reduced the interest rates for women
Mwanga (2016), Siha district, Kilimanjaro region, Tanzania	Impact of microfinance institutions on livelihood improvement of women: A Case Study of Siha District	150 clients from Umoja SACCOS, women development fund and Uchumi commercial (local) bank, descriptive analysis	MFIs empowered women positively on businesses, income, assets, education, housing building and maintenance, food intake, household decision making, crops productivity, nutrition and health
Kyara (2013) in Kilimanjaro region Tanzania	Challenges of micro-finance institutions towards women empowerment in Kilimanjaro Region Tanzania: A case study of Moshi Municipality	Descriptive analysis, 70 MFIs clients, Opportunity Limited Moshi, BRAC Tanzania, VICOBA, and FINCA and SACCOS	Barriers towards women empowerment were poor repayment, politics, delay of funds, bureaucracy, corruption, and unfaithful staff

Author, Year and Country	Title of the Study	Data Analysis Methods Sample Size and Type of MFIs	Findings-MFIs Women Empowerment variables
Kato and Kratzer (2013) in Arusha, Manyara and Morogoro regions- Tanzania	Empowering women through microfinance; Evidence from Tanzania	Mann-Whitney U test, 305 and 149 women MFI members and non-members, PRIDE, SEDA and SIDO	MFIs empowered women in savings control business management, decision making, self-efficacy and self-esteem, and freedom of mobility and increased outside home responsibilities
Magali (2013), Morogoro, Dodoma and Kilimanjaro Regions, Tanzania	Impacts of credits risk management on rural SACCOS' performance and borrowers' welfare in Tanzania	Descriptive statistics and regression, 37 rural SACCOS, 431 borrowers	73.5% of the rural SACCOS' clients realized the improvement in education and health, physical assets, crop yields and business capital.
Girabi and Mwakaje (2013), Iramba district, Siginda, Tanzania	Impact of microfinance on smallholder farm productivity in Tanzania: the case of Iramba District	SACCOS, 98 clients and non-clients, regression analysis	SACCOS increased the productivity of crops
Shekilango (2012) in Mbeya rural district Tanzania	Microcredit and empowerment of rural women experience from Mbeya region Tanzania.	Qualitative analysis, 12 SACCOS	SACCOS empowered women economically and increased the business capital, assets and improved access to health and education services' and leadership skills to women

## Discussion of the literature and the study gaps

The empirical literature shows both positive and negative influence of MFIs on women empowerment and generally; there is no consensus. Most of the studies, for example, Mula and Sarker (2013), Poominathan *et al.* (2016), Wanjiku and Njiru (2016), Ndawi *et al.* (2018), Shekilango (2012), Gwahula and Mrema (2016), Kyara (2013) and Mwanga (2016) Gnawali (2018), Addai (2017), Rathirane (2017), Aruna and Jyothirmayi (2011), Shakya (2016), Fwamba *et al.* (2015) to mention a few, revealed the positive influence of MFIs services on women empowerment economically, socially and few scholars on cultural and legal dimensions. Some studies also show a negative influence of MFIs on women empowerment, for example, Arunachalam (2007), Frohberg and Müller (2007), Magali (2013), Kato and Kratzer (2013), Rahman (1998) and Driscoll (2010), to mention a few. In addition, some other studies such as Vaessen *et al.* (2014), Awaworyi (2014), and Tarozzi, *et al.* (2015) revealed that MFIs did not empower women. Therefore, the literature indicates that some MFIs have

empowered women while some MFIs disempowered them and some did not influence women in either way.

The literature also shows that there are some gaps to be filled by future studies. For the purpose of this paper, the author analyses the studies done in Tanzania regarding the role of MFIs in Women empowerment to identify the gaps to be filled by future studies. Mwanga revealed that MFIs in Siha district in Kilimanjaro region has empowered women economically. However, Mwanga (2016) argued that confiscation of some clients' assets to recover the loans made the women clients not able to realize the impacts of these MFIs, hence it limited their empowerment. However, Mwanga (2016) did not focus on the role of MFIs on political and legal empowerment. The study also was done in one district of Kilimanjaro region and it used descriptive analysis which gives a general picture of the findings. The study also did not specify the role of MFIs in different groups of women such as female-headed households, youths and female with disabilities.

Shekilango (2012) analyzed the role of Savings and Credit Cooperative Societies (SACCOS) on women empowerment by using only 12 SACCOS in Mbeya rural district hence the generalization of the finding is limited. The study also did not analyze in depth the influence of SACCOS on political and legal and dimensions. Moreover, Shekilango (2012) did not ascertain how SACCOS empowered different categories of women. Furthermore, it was only one type of MFIs (i.e SACCOS) which was used in the study.

While Shekilango (2012) is the only author who analyzes the role of MFIs on women empowerment in Tanzania using SACCOS; some studies analyzed the role of a range of MFIs on women empowerment. For example, Kato and Kratzer (2013) analyzed the role of MFIs on women empowerment using Promotion of Rural Development Enterprises (PRIDE), Small Enterprises Development Assistance (SEDA), and Small Industries Development Organization (SIDO) in Arusha, Manyara and Morogoro regions. Also, Kyara (2013) used the Opportunity Limited Moshi, Bangladesh Rural Advancement Committee (BRAC) Tanzania, Village Community Bank (VICOPA), Foundation for International Community Assistance (FINCA), and SACCOS to study the role MFIs on women empowerment in Moshi Tanzania. Therefore, this paper is of the view that, using a mixed type of MFIs to analyze the role of women empowerment in Tanzania offers a better analysis.

The literature indicates that only Josephat *et al.* (2017) considered the empowerment variables of economic, legal, interpersonal and familial dimensions but their analysis did not consider the political and socio-cultural empowerment variables. The types of MFIs used by Josephat *et al.* (2017) were PRIDE, SACCOS, BRAC and VICOPA which is a good mix. However, there is no information on the categories of women who were involved such as female-headed, youths or adults. Having information on such groupings could help the readers to know what group of women is empowered most by MFIs. Josephat *et al.* (2017) further revealed that culture constrained women to attain the full MFIs empowerment. Therefore, more studies on the influence of culture and other variables on women empowerment through MFIs should be conducted.

The literature indicates that only a few scholars who studied the role of MFIs on empowerment of female-headed households (FHHs). Such scholars include Chirkos (2014), Giang *et al.* (2015), Ayen (2016) and Mahmood *et al.* (2017). The factors identified to slow down empowerment of FHHs through MFIs include high-interest rates (Chirkos, 2014),

discrimination in credit borrowing (Cheng and Ahmed, 2014), and high probability of default because of the high labour charges (Siyoun *et al.*, 2012).

Therefore, to the best of the researcher's knowledge, the empirical literature indicates that there is no study which has concentrated to assess the role of MFIs on empowerment female-headed households or groups of women in Tanzania. Shekilango (2012) used only two female households from 12 SACCOS from Mbeya rural district to analyze the role of SACCOS in empowering women. This paper argues that two female households only cannot be used to conclude on the role of MFIs on FHHs in Tanzania. Therefore, based on this analysis; it is asserted that there are study gaps on the role of MFIs in empowering different groups of women in Tanzania.

### **Conclusion, recommendations and direction for the future studies**

The empirical literature indicates that there is no comprehensive study which analyzes the role of MFIs on empowering women of different categories in Tanzania. The analysis of empirical literature review reveals that MFIs through their credit, insurance, saving and training services have empowered women in economic, socio-cultural, psychological, familial/interpersonal and legal dimensions. However, most scholars who conducted their studies in Tanzania; studied the role of MFIs on empowering women on economic, socio-cultural, psychological, familial/interpersonal dimensions concentrated on one or two variables of women empowerment and only Josephat *et al.* (2017) studied the role of MFIs on women empowerment in economic, legal, interpersonal and familial dimensions. Josephat *et al.* (2017) also is the only paper which analyzed the role of MFIs on legal dimension of women empowerment. The literature indicates that none of the author has analyzed the role of MFIs on political dimensions of the women empowerment in Tanzania.

Empowering women through MFIs in Tanzania: Myth or reality? Generally, the authors confirm that MFIs have strived to empower women in Tanzania to say by 70%. Hence, the roles of MFIs clearly match with the empowerment theory because MFIs in Tanzania have empowered women to make a decision, to access various socio-economic opportunities and allocate their resource independently. However, there are some few cases when MFIs have failed to empower women at 100% because of the influence of cultural factors, high interest and other factors.

The author recommends that future studies may be conducted to assess the role of MFIs on empowerment of women on Tanzania, focusing the specific or mixed MFIs which have never been studied so as to capture the detailed information. Studies also may be conducted to assess the role of MFIs on empowerment on different categories of women, the role of MFIs on women empowerment focusing the broad coverage on community and broader arenas based on the empowerment variables which have been recommended by Malhotra *et al.* (2002). Studies may also be conducted to assess the relationship between the variables under the empowerment theory and MFIs' women empowerment as well as the factors which influence the strength of the relationship between MFIs' services and women empowerment in Tanzania.

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## Appendix 1: Women Empowerment Variables

<b>In the household, community, and broader arenas. Dimension</b>	<b>Household</b>	<b>Community</b>	<b>Broader Arenas</b>
<b>Economic</b>	Women's control over income; relative contribution to family support; access to and control of family resources	Women's access to employment; ownership of assets and land; access to credit; involvement and/or representation in local trade associations; access to markets	Women's representation in high paying jobs; women CEO's; representation of women's economic interests in macroeconomic policies, state and federal budgets
<b>Socio-Cultural</b>	Women's freedom of movement; lack of discrimination against daughters; commitment to educating daughters	Women's visibility in and access to social spaces; access to modern transportation; participation in extra-familial groups and social networks; a shift in patriarchal norms (such as son preference); a symbolic representation of the female in myth and ritual	Women's literacy and access to a broad range of educational options; Positive media images of women, their roles and contributions
<b>Familial/ Interpersonal</b>	Participation in domestic decision-making; control over sexual relations; ability to make childbearing decisions, use contraception, access abortion; control over spouse selection and marriage timing; freedom from domestic violence	Shifts in marriage and kinship systems indicating greater value and autonomy for women (e.g. later marriages, self-selection of spouses, reduction in the practice of dowry; acceptability of divorce); local campaigns against domestic violence	Regional/national trends in timing of marriage, options for divorce; political, legal, religious support for (or lack of active opposition to) such shifts; systems providing easy access to contraception, safe abortion, reproductive health services
<b>Legal</b>	Knowledge of legal rights; domestic support for exercising rights	Community mobilization for rights; campaigns for rights awareness; effective local	Laws supporting women's rights, access to resources and options; Advocacy for rights and legislation;

<b>In the household, community, and broader arenas. Dimension</b>	<b>Household</b>	<b>Community</b>	<b>Broader Arenas</b>
		enforcement of legal rights	use of the judicial system to redress rights violations
<b>Political</b>	Knowledge of political system and means of access to it; domestic support for political engagement; exercising the right to vote	Women's involvement or mobilization in the local political system/campaigns; support for specific candidates or legislation; representation in local bodies of government	Women's representation in regional and national bodies of government; strength as a voting bloc; representation of women's interests in effective lobbies and interest groups
<b>Psychological</b>	Self-esteem; self-efficacy; psychological well-being	Collective awareness of injustice, the potential of mobilization	Women's sense of inclusion and entitlement; systemic acceptance of women's entitlement and inclusion

Source: Malhotra *et al.* (2002)