

**THE EFFECT OF MICROLOANS ON THE IMPROVEMENT OF WOMEN'S
WELFARE IN MASAKA MUNICIPALITY**

A CASE STUDY: NYENDO-SSENYANGE DIVISION

BY

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DEDICATIONS

Enduring, dedication and commitment were fundamental aspects towards the completion of this research report upon which its success was the support of my family members, fellow academicians and workmates, UMU Masaka branch administration and facilitators. I therefore dedicate to them this important academic achievement in appreciation for all their tireless endeavors that they heavily contributed to a successful completion of this research report.

This research report is also dedicated to my dear father Mr. Magembe Robert and my dear mother Madam Ndagire Joanitah, Mr. Ssekajjugo Edward, Komuhangi Gift for the patience you have exhibited over the time I have been studying.

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LIST OF ABBREVIATIONS

NGOs :	Non-Government Organization
DV :	Dependent Variable
ICTs :	Information and communication technologies
IV :	Independent Variable
FT :	Finance trust
FINCA:	Foundation for International Community Assistance
MFI's :	Microfinance Institutions
SACOOs:	Savings and Credit Cooperative Societies
SEWA :	Self Employed Women Association
SPSS :	Statistical Package for Social Sciences.
UN :	United Nations
UMU :	Uganda Martyrs University

ABSTRACT

This study intended to evaluate the Effect of Microloans on improvement of Women Welfare considering a case study of Nyendo-Ssenyange Division in Masaka Municipality.

The research focused on the research objectives of, To find out the types of microloans given to the women to improve their welfare in Nyendo-Ssenyange division in masaka municipality. To find out how microloans have improved the standards of living of women in Nyendo-Ssenyange division in Masaka municipality. To find out the challenges of microloans on the improvement of the women welfare in Nyendo-Ssenyange division.

This researcher used the questionnaire approach as the data collection tool.

The findings revealed that most of the women who benefit from microloan belong to the age bracket between 26-35 years with generally an education background below degree Level particularly a majority belonging to diploma level, Certificate level, O and A level .

Furthermore, in reference to the findings, the Agricultural loan is the most common microloan received followed by the Small business loan and the lastly, the Student tuition loan. The findings revealed that indeed all the loans have a role on women welfare although there still remain numerous challenges when using the loans and the most outstanding challenge is the high

Interest rates charged. The study also revealed that there are also many challenges when acquiring the loans but the most outstanding being the Microloan lenders give out microloans basing on the return.

Hence the recommendations from the research study include the interest rate charged on micro loans should be kept low to enable women borrow so as to improve on their welfare.

And those for further research like Future researchers should also find out the effect of lending policies grated to women while acquiring of microloans.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

The study focused on the effects of micro loans on the improvement of women's welfare in Nyendo-Ssenyange Division Masaka Municipality. This chapter looked at the background of the study, the problem statement, major objective, specific objectives, research questions, scope of the study, justifications of the study, and significance of the study, definition of terms and concepts and conceptual frame work.

1.2 Background of the study.

The background of the study looked at different aspects which include conceptual background, theoretical background, historical background and contextual background.

Micro-finance has existed in various forms for centuries, and even longer in Asia, where informal lending and borrowing stretches back for several thousand years. However, the birth of 'modern' micro-finance is said to have occurred in the mid-1970s in rural Bangladesh. There, in the midst of a famine, Dr. Muhammad Yunus, professor of economics at the University of Chittagong, was becoming disillusioned with the abstract theories of economics that failed to explain why so many poor people were starving in Bangladesh. Therefore Micro lending was pioneered by an economics professor named Mohammed Yunus who became frustrated by the cycle of poverty he saw in his native Bangladesh. In 1976 Yunus launched the Grameen Bank Project to study the feasibility of offering banking services to poor entrepreneurs being exploited by money lenders.

His first loan was \$27 to local women who wove bamboo stools. Because of loan sharks the women made just a penny's profit on each stool. With their microloan from Yunus, they

bought their own materials, repaid the microloan and began to flourish as small businesswomen.

When similar experiments proved successful in several other regions, the Bangladesh government approved Grameen Bank, the world's first lending institution to focus on providing unsecured startup capital for the working poor.(Dr. Mohammed Yunus (1997)) Therefore this background shows the relationship between microloans and improvement of women welfare.

1.1.2 Conceptual background.

S& Riley, A. (April 2017), defines Microloans refers to small amount of loans provided by the formal institutions, semi-formal institutions and informal source.

A formal and semi-formal micro finance institution is referred to as an MFI (micro finance institutions) which is involved in micro-loan delivery along with rendering deposit and other financial services. Semi-formal MFIs are mostly Non-Governmental organization.

Basically microloan is pro poor, collateral free, small in many cases to empower women and uplift entire communities by extension of their businesses and the highly stable employment since many are illiterates, and therefore unable to complete a given task awarded to them and this is within in Masaka municipality , for example women are given small loans amounting to Uganda shillings 500000-800000 and are given out for given period of time of like 1 year two years or less Before returning the loan amount .and these loans are closely supervised by delivery agencies (mainly the MFIs).

Ackerly BA (2016) Welfare is defined as government program which aims at supporting different groups with aid, women socially and economically through the establishment of Women Self Help Group, Integration and Convergence of other related schemes available

with the different Departments are provided with financial aid to support themselves. Welfare programs are funded by government aid, donors and other many projects which allows people to cope with financial stress during rough periods of their lives. The goals and objectives of welfare vary, as it looks to promote the employment opportunities, education and a better standard of living.

Cheston S and Kuhn L (2002) states that the desired outcomes of people on welfare will depend primarily on the circumstances that caused them to apply for aid .mentally or physically disabled person may not be expected to assume independence after a period of time, so welfare would provide ongoing aid to improve their standard of living.

1.1.3 Theoretical Background.

This background looks at or explains different theories related to microloans and women welfare .and these theories include women empowerment theory, poverty alleviation theories as explained below.

Women's empowerment theory

Mayoux (2005) argues that from early 1970s women's movements in a number of countries became increasingly interested in the degree to which women were able to access poverty focused credit programs and credit cooperatives. In India organizations like Self- Employed Women's Association (SEWA) among others with origins and affiliations in the Indian labor and women's movements identified credit as a major constraint in their work with informal sector women workers. Mayoux, (2016), states that this paradigm is firmly rooted in some of the earliest microfinance in India. The underlying goals are gender equality of choice and opportunity and women's human rights as set out in the 1979 Convention on the elimination of discrimination against Women and promoted by the international women's movement.

Empowerment is conceived as a multidimensional process involving challenging existing power relationships and inequalities at different interlinked levels.

Poverty alleviation theory

Mayoux (2007) argues that this underlies many NGO integrated poverty-targeted community Development programs, based on the principle of —self-help to build sustainable livelihoods and sustainable communities. Poverty alleviation is defined to encompass increasing capacities and choices and decreasing the vulnerability of poor people. The focus is on developing sustainable household livelihoods, decreasing household vulnerability and community development. Microfinance is part of a wider integrated development program including interventions like agricultural development, environment, literacy, and healthcare and infrastructure development. Of late, some NGOs such as CARE, are emphasizing rights-based approach, integrating a concern with structural inequality and power relationships into the understanding of sustainable livelihoods.

These paradigms do not correspond systematically to any one organizational model of micro-finance. Micro-finance providers with the same organizational form e.g. village bank, Grameen model or cooperative model may have very different gender policies and/or emphases and strategies for poverty alleviation. The three paradigms represent different discourses ‘each with its own relatively consistent internal logic in relating aims to policies, based on different underlying understandings of development. They are not only different, but often seen as incompatible discourses ‘in uneasy tension and with continually contested degrees of dominance. In many programs and donor agencies there is considerable disagreement, lack of communication and/or personal animosity and promoted by different stakeholders within organizations between staff involved in micro-finance (generally firm followers of financial self-sustainability), staff concerned with human development (generally with more sympathy for the poverty alleviation paradigm and

emphasizing participation and integrated development) gender lobbies (generally incorporating at least some elements of the feminist empowerment paradigm). What is of concern in current debates is the way in which the use of apparently similar terminology of empowerment, participation and sustainability conceals radical differences in policy priorities.

Although women's empowerment may be a stated aim in the rhetoric of official gender policy and Program promotion, in practice it becomes subsumed almost without guarantee to people excluded from the tradition banking systems and willing to develop a small activity allowing them to generate an income (Boyees and Melvin, 2015). Besides that, Microloans can be provided by a number of sources including family members, pawnshops, non-governmental organizations, and commercial banks. The formalization of microloans in recent years has been embraced by two theories of development: neo-liberalism became a dominant theory of development in the 1980s, and continues to be the theoretical motivation for influential organizations such as the World Bank.

Microloans do not initially appear as an area in which neo-liberals would be interested. As a bottom-up method of poverty alleviation, microloans clashes with typically top –down methodology of neo-liberalism (Rahman,1986). He continues that microloan for micro private enterprise operating through the market is the main engine of sustained economic growth. By exposing pre-existing informal economic networks, as providing the opportunity for the creation of additional formal businesses, neo-liberalism emphasizes that the macroeconomic situation of the state will improve.

According to Katherine S. Newman (2017) with this theoretical spectrum in mind, it is pertinent to examine several cases of micro lending institutions, their compositions, their clients and their services. In doing so, the theoretical applications of both neo-liberalism and

participatory development will become more apparent, as will the ambiguous middle in between these polarized ideologies

1.1.4 Historical Background

In the past, Jonathan swift inspired the loan funds of the 18th and 19th centuries. In the mid-19th century, individualist anarchist Lysander sooner wrote about the benefits of numerous small loans for entrepreneurial activities to the poor as a way to alleviate poverty. At about the same time, fried rich Wilhelm Rainffeisen founded the first cooperative lending banks to support women in rural areas distributed through community based initiatives (Malcolm and Harper, 2012)

A microloan is very small loan; sometimes so small that a bank would not possibly make such a loan. It is a loan that can allow a small business to startup when otherwise that business may not be able to get the financing (ledger wood and white 2011). He further states that it can be a loan to help a business out when it is suffering a poor cash flow position. If a small company sees a growth opportunity, a micro loan could even help the business real growth. Micro loans started out in third world countries helping poor farmers and other business people. Now microfinance is helping women and business in the world.

Worldwide, provision of microloans to the vulnerable has been considered an innovative and sustainable approach where women can engage in micro enterprise activities to generate income so as to improve their live hood and contribute to economic development (Mayourx and Hartl, 2010). However, rural based microloans programs in particular have the potential to help poor people perform business activities through which they may acquire employment as well as income thus enhancing development (Mayoux, 2010).

Recently, it is often argued that financial sector in low income countries such as Uganda has failed to serve the poor. With respect to the formal sector banks and other financial

institutions generally require significant collateral, have a preference for high income and high loan clients, and often allow gender attitudes to guide lending decisions. The failure of the formal and informal financial sectors to provide affordable loan to the poor is often viewed as one of the main factors that reinforce the vicious circle of economic, social and demographic structures that ultimately cause poverty among the women (Boyees and Melvin, 2011).

According to, S& Riley, A. (April 2010), microloans are part of microfinance which provides a wider range of financial services especially savings accounts to the poor. Modern microloans are generally considered to have originated in many banks all over the world. Many traditional banks subsequently introduced microloans despite initial misgivings. Besides that, the UN declared 2005 the year of micro loans. As 2015, microloans are widely used in developing countries and presented as having enormous potential as tool for development.

Microloans can be used by business start-up, by businesses which need cash flow boosts, by businesses for such things as working capital, supplies, inventory, and light machinery and equipment. There are cases where microloans have saved businesses and other cases where businesses have been able to start up only because of microloans. Most loans require some sort of collateral and a personal guarantee. Interest rates vary but are higher than on a typical business loans (Bannock, 2010).

According to KarlanAlex (2011), microloans increase the ownership of productive assets for women. These services influence also influence legal and political awareness and participation in public campaigns. In addition, loan programs are making the women more dependent on the loans provider instead of making them independent.

1.1.5 Contextual Background

In this context, microloans refer to the extension of very small loans to impoverished borrowers who typically lack collateral, steady employment and a verifiable credit history. It is designed (S& Riley, A.2010) not only to support women and alleviate poverty, but also in many cases to like expand businesses. Therefore this research will base on the effect of microloans on the improvement of women welfare in Masaka municipality.

Besides that, the researcher will put more emphasis on the most lending financial institution for women which is Finance trust bank. Finance trust bank is an institution which give opportunity to the women to borrow so that they can startup small businesses, deal in agriculture, and paying their tuition.

1.2 Problem statement.

According to archon and colanders' (1997), micro loans can contribute to poverty reduction , increased women welfare and empowerment among women .This is seen when financial institutions such as finance trust, FINCA, among others provide micro loans especially to women to improve on their welfare through starting up small businesses engaging themselves in farming and paying school fees for their children .It is more stipulated that many businesses are supported by micro loans and they have improved peoples welfare .The women fun project is trying to help some organized small women groups to hanger their financial status. Some of the women with required qualifications will be able to access this money and they have started up businesses which have helped them grow economically and financially.

However, it is seen that some people especially women have failed to develop despite the availability of many sources of micro loans (Marios, 2015). This is because when women receive these loans, hire husbands persuade them and take these loans from them for drinking

alcohol ,adultery ,smoking ,gambling ,which may lead them into trouble. Even it's not clear that women who acquire microloans have successfully improved their lives which means that some projects started up with microloans have failed and others not. Therefore the researcher wants to find out if the women are given these loans, will they improve their welfare or not because they can also be aggregated in drinking alcohol, smoking, betting among others.

Therefore this study will find out the effect of microloans on the improvement of women welfare in Masaka municipality.

1.3 General objective of the study

To examine the effect of microloans on the improvement of women`s welfare in Nyendo-Ssenyange division in Masaka municipality.

1.4 Specific objectives

- To find out the types of microloans given to the women to improve their welfare in Nyendo-Ssenyange division in masaka municipality.
- To find out how microloans have improved the standards of living of women in Nyendo-Ssenyange division in masaka municipality
- To find out the challenges of microloans on the improvement of the women welfare in Nyendo-Ssenyange in masaka municipality.

1.5 Research questions

1. What are the types of microloans provided to the women?
2. How microloans improve the standards of living of women?
3. What are the challenges of microloans on the improvement of women`s welfare?

1.6 Scope of the study

The study will focus on examining the effects of microloans on the improvement of women`s welfare

1.6 Content scope.

The study will focus on examining the effect of microloans on the improvement of women welfare in Nyendo-Ssenyange division in masaka municipality. Although other studies have focused on house hold welfare and women welfare.

1.7 Geographical scope.

The study will be conducted within the geographical boundaries of Nyendo-Ssenyange division in masaka municipality. This is because many of the women live in masaka municipality.

1.8 Time scope

The study will take a period between August 2017 - June 2018

1.9 Significance of the study

- The study will help other scholars as a source of literature for further research and good planning for academicians.
- The study will help the women in Nyendo-Ssenyange division in masaka municipality to understand more on how to use these micro loans for their improvement through starting up small businesses, engaging themselves in agriculture, and paying school fees for their children.
- The study will help the government to enforce ethical codes and integrity among the women to improve on their development through borrowing.
- The study will help the country to improve on the access of microloan facilities provided to the women and other members so as to improve their welfare.

- Finally, the study will help the world to put more emphasis on financial institutions which provide microloans to people in order to improve their standards of living thus economic growth and development in the world.

1.10 Justifications of the study

The study will be carried out immediately in order to help the women so that financial institutions may offer microloans to them to improve their welfare.

However to the best of the researcher’s knowledge research will be carried out on the micro loans but on improvement of women welfare?

This study is also a requirement for the partial fulfillment for awarding a Bachelor’s Degree in Business Administration and Management of Uganda Martyrs University.

1.11 Conceptual frame work showing the relationship between microloans and improvement.

Fig.1 Conceptual Frame work

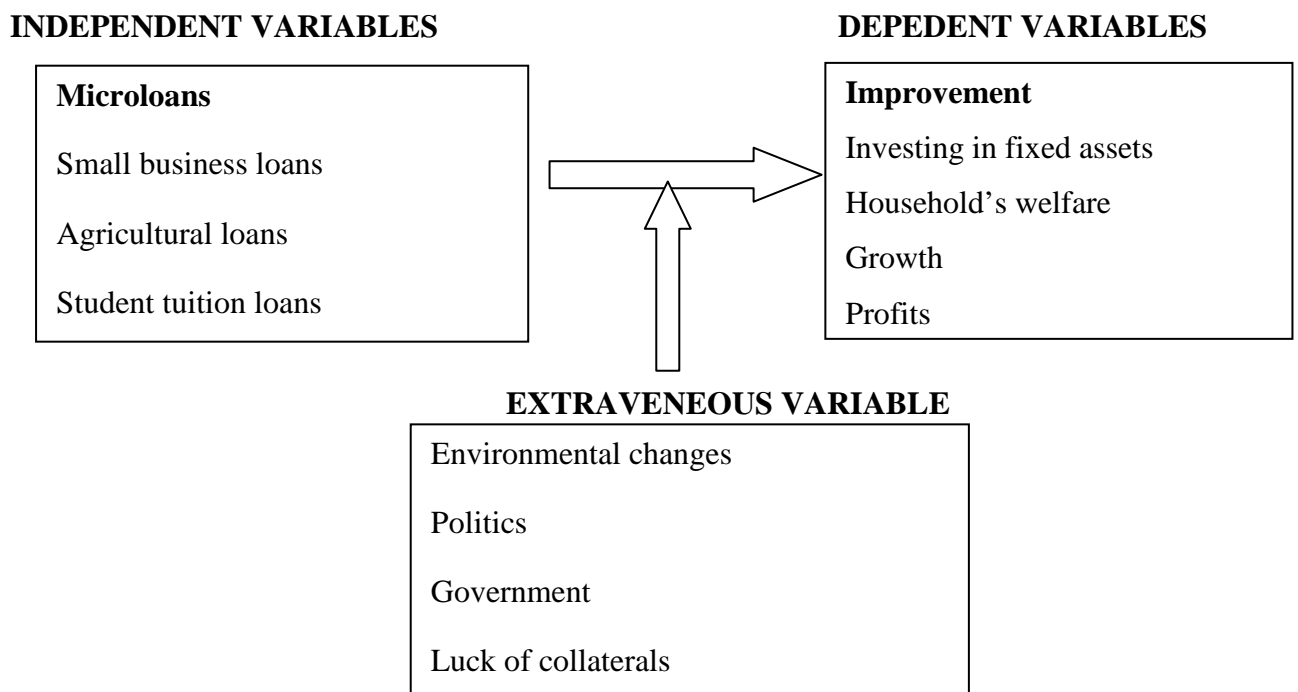


Figure1. Source: designed by the researcher, (2018).

The conceptual frame work indicates that microloans (independent variable) represented by small business loans, agricultural loans, student tuition loans have a direct effect on the improvement of women welfare(dependent variable) which is represented by investing in fixed assets, household`s welfare, growth, profits. The factors intervening the relationship between microloans and women welfare include; environmental changes, politics, education level and lack of collaterals. Therefore these related in such a way that small business loans which are independent microloans have a relationship with improvement in such a way that they lead to investing in fixed assets and acquiring of profits but these are intervened by lack of collaterals since they are backed up by collaterals such as land to be given out.

More about Agricultural loans also have a relationship with improvement in such a way that they improve household`s welfare because they provide food and others but are intervened by environmental changes like drought, and student business loans have also lead to growth of students welfare and are intervened by political factors.

1.12 Limitations.

Financial resources will also be among the limitations since there is a need to print out the acquired information which will require some money.

Limited time .the research requires a lot of time to be completed yet the period is limited of completing research

1.13 Delimitations.

The researcher will manage to look for enough funds in time in such a way that he will be able to overcome the problem of limited funds.

The researcher will make sure that utilizes the available time in order to complete research.

1.14 Conclusions.

In this chapter the researcher managed to look at the introduction, background of the study, problem statement, general objective, specific objective, research questions, conceptual framework, limitations and de-limitations of the study, and justification of the study.

Furthermore ahead the researcher will look at the different concepts as mentioned below in the chapter of methodology and these include Research design, Study population, Area of study, Sample size and selection, Sampling techniques, Methods and instrument of data collection, Data management and analysis, Reliability and validity, Ethical considerations, Limitations and Conclusions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher will review literature of various schools related to micro loans in relation to improvement of women welfare. The review will be analyzed, evaluated, and reported ideally under the specific objectives of the study and it will also focus on different types of the microloans, contributions of microloans as well as challenges that effect the improvement of women welfare.

2.2 Types of Microloans on the Improvement of Women Welfare

2.2.1 Small business loans

According to Holt (2013), a business is an economical system which involves selling buying of goods and services for money or for one another. The world today continues to become intertwined, and will soon transform its self into a global village. New centers of business activity are emerging to compete with traditional western economic capital. However, not only are economies becoming more interconnected, but also the center of economic gravity as unhinged from the western world and is steadily moving east wards (Nathan, Banga Mukungu, 2005). In this evolving shift, East Africa, and particularly Uganda occupies a strategic position because of a large young workforce and the push for improving competitiveness.

Amore productive labour force enables the creation of better quality goods and services in larger quantities at lower costs. Uganda is small, open, economy. The competitiveness of Uganda's goods and services in international trade directly depends on the productivity of her labour force and that of businesses employing this labour force. However, for this purpose

serious investments need to be channeled towards developing the abundant and young human capital in Uganda through better health care and better education (Rahman and sohal, 2015)

Simultaneously, it is crucial to develop and maintain a conducive business environment. Businesses operating on efficient business practices in an environment which encourages investment and business development are crucial engines for economic growth of Uganda.

Business and financial innovations hold the promise of tremendous opportunity for businesses in Uganda. However, equally significant are the risks such innovations entail. For example, cross border remittances through mobile phones can lower transaction costs both in terms of money and time (Zimmer, Scarborough, and Wilson, 2012). However, as soon as large business transactions occur over mobile phones, anti –money laundering frameworks need to become highly vigilant. Simplified, timely yet thoroughly enforced regulations need to be put in place for innovative practices, products and services (Kota, 2015). Therefore, there is a need for a serious push to increase access to finance, especially for financially excluded people in remote areas and for small enterprises. Exploring innovative mechanisms such as agent banking which can enable commercial banks to expand their reach is critical.

It is now generally agreed that small businesses are one of the key engines of growth in many developing countries by contributing to employment creation. It is argued that micro and small businesses cannot grow or succeed unless they are entrepreneurial behavior in small business if growth in Uganda is to be achieved through starting up small scale businesses such as mobile money, shops, saloons, boutiques, restaurants (Malcolm, 2016). The emerging pattern of business in Uganda is that small businesses will continue to be the source of jobs and growth in the economy. Many studies have been undertaken and have identified numerous problems as being associated with small businesses, such as lack of finance and access to it, lack of market information, lack of managerial skills and many others. Little

attention however, has been paid to women which is the underlying factor to the development of any businesses (Rahman and Sohal, 2011).

Finally, entrepreneurship is the ability to seek out opportunities and turn them to profitable businesses. The failure of businesses in Masaka has been likely to be attributed to many factors some of which management; therefore the most microloans acquired are business and agricultural loans (Kombo and Tromp, 2016).

2.2.2 Agricultural loans

According to Richard and Ochaya (2010), agriculture of crops and rearing of animals for domestic or commercial purposes. Agricultural loan provides financial resources to the farming community particularly for the purchase of primary inputs like fertilizers, seeds, pesticides, machinery, and equipment among others. The government considers it as an important instrument for achieving higher production and attaches high priority to ensure its timely availability to the farmers. Growth in the agricultural sector will enhance the productivity which will lead to the betterment in the economic conditions of farmers', improvement in their education, health status. Farmer in rural areas need more facilitation than the farmers in urban areas. Therefore rural areas should be focused according to their requirement.

Microloan plays an important role in the agricultural development. One element of an effective strategy for poverty reduction is to promote the productive use of firm inputs. This can be done by creating opportunities for raising agricultural productivity among small and marginalized farmers. Microloan is particularly relevant to increasing productivity of rural economy, especially agricultural productivity as well as financing arrangement of activities adding value to agricultural output.

Rural microloan is intended primarily for investment in rural production activities to improve the well-being of the poor by starting up poultry projects, Banana plantations and piggery projects to mention but few (Kasilye, 1999). However, its use to meet daily consumption needs is not prohibited.

Other rural support programs facilitate awareness building among the communities through information dissemination and organizing different activities such as field days and workshops in agriculture, livestock and poultry farming (Jones, 2012). The importance of agricultural credits, especially from institutional sources, is widely recognized as an effective tool to enhance agricultural productivity.

Benefits and Importance of Agricultural Loans for Farmers

In modern times, the world's major economies have emerged out to be the superpowers mainly because of their industrial development they have achieved. However, this economic boom does not mean that the agricultural sector was compromised. It is an inevitable sector that one cannot give up rather it supplies the raw materials required to support the other sectors. Therefore, the role of the agricultural sector is also very important in the industrial sector along with its capacity to supply food to all the population of the given place. The United States had a hard time when the world wheat production went down but still, the situation was managed with technical advancements. Technology is not only for the industrial sector but it can be employed even to the agricultural sector. Agricultural loans might be very important for adopting this technical advancement for increasing your agricultural output. Moreover, these types of loans will help you obtain better seeds of high quality that are specially created to increase yield. Secondly, you will be able to employ better technical equipment for your agricultural work that will pace up your development.

2.2.3 Student tuition loan

The scheme is aimed at providing funding to the needy but bright students to attend tertiary education. The scheme is for students seeking to pursue higher education in an accredited institution of higher learning recognized by the national council for higher education. The government in control of Uganda seeks to assure equal opportunities for all Uganda's to attain higher education through introduction of student's loan scheme especially for ladies for higher education. The government of Uganda through the ministry of Education and Sports has introduced the students loan scheme (Mishkin, 2010).

Higher education in Uganda was originally free covering tuition and living allowance but the growth of student's numbers has meant that the government of Uganda can no longer afford to pay tuition and personal needs for all the students that qualify to join higher institutions. It has overtime offered bursaries to highly qualifying students at higher institutions but with growth in student numbers due it Universal primary and secondary education support from the government, many qualified students have missed chance of joining universities on government assistance (Furlong, 2013). He further said that microloans help the women to pay their tuition those who are studying in order to improve their welfare.

2.3 Microloans on improving the standards of living of women.

Microloans deal with small amounts of money which is perfect for small business entrepreneurs who want to test their ideas.

Microloans help entrepreneurs such as women to get opportunities to start businesses that traditional funders would rarely even consider (Muwanigwa, 2013). Microloans can make a person business dream come true, and that's something worth considering in today's economy.

Also more microloans have managed to change the profile of the rural unemployed community. However, poor people living in villages and small towns have no way of starting small, home based businesses in case they were unemployed for the simple reason that they were just not considered loan worthy by mainstream banks.

The importance of microloans in Uganda has soared in the recent decade and the instrument is now seen as one of the most effective tools to tackle poverty in the country. The belief in microloans derives from the fact that the provision of loan to the active poor can contribute to poverty reduction and pass the test of sustainability.

According to Pathania (2013), Microloans help the poor meet basic needs. The use of financial services by low-income people is associated with improvements in their economic welfare by supporting the women's economic participation, microloans help to empower women through improving their welfare.

Poor people, with access to savings, credit, insurance, and other financial services, are more resilient and better able to cope with the everyday crises they face. Even the most rigorous econometric studies have proven that microfinance can smooth consumption levels and reduce the total assets to meet needs. According to Muhammad Rahman (2014) another important goal of all MFIs on improving the standards of living is to spread the light of education throughout the society. Development through this program, along with the health program, indicates human development among the people. Their effort and mission is to build up a society free of poverty, illiteracy and disease. Their goals are to expand education opportunities for disadvantaged children and provide them with necessary technical and financial support another point is Food Security Program In the developing countries, achieving household food security remains a critical objective of rural development. This can be done in principle by escalating agricultural productivity and off-farm income, thus

improving the capability of households to steady their income and food purchasing power. Food security, at the household level, is defined in its most basic form as access, by all people at all times, to the food needed for a healthy life.

Finally microloans also allow the poor people to make increasing earnings and savings, microloans services allow poor people to make the transformation from every-day survival to plan for the future. Many people are able to more children to school for longer periods and to make greater investments their children's education.

2.4 Challenges of microloans on the improvement of women welfare

Lack of access to microloan is the major obstacle that prevents women from improving third welfare through starting up small businesses, carry out farming ,Perhaps the biggest challenge it's that businesses started through microloans are more likely to fail than those started with funding sources. An interesting idea that convinces people to contribute a few amounts does not always have a good chance of surviving in a competitive market place. Often, those startups have been rejected by traditional lenders for reasons; the entrepreneur did not have a good business plan. All of those problems can spell disaster for small businesses.

However, women in Uganda their welfare is still low despite the intervention of microloans. This brings out argument about microloans if they can improve women welfare. People in rural areas experience various problems like poor infrastructure which makes loan repayment very difficult for them thus put them into a debt trap (kobo and Tromp, 2006).

Microloans have made women and other people poorer than marking them richer. This is because they consume more and the businesses fail to generate enough profits to pay their debts therefore in this case micro saving can be better than microloans.

In conclusion among the poor, those participating in microloan programs who had access to financial services were able to improve their welfare both at the individual and household level much more than those who did not have access to financial services.

2.5 Conclusion

In this chapter, the researcher looked at the different types of micro loans, contributions and challenges of microloans on the improvement of the women welfare. Therefore the above information will help the researcher to relate the respondents ideas and views with the literature review hence helping the researcher form conclusions in other chapters that's chapter 4 and chapter 5

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter discusses the research design, the study population, the area of the study, sample size and selection, sampling techniques, methods of data collection, ethical considerations, procedure of data collection and analysis and it covers the validity and reliability of the research instruments.

3.2 Research design

A research design is a plan for conducting research. The researcher will use a cross-section research design which will include a case study in which both qualitative and quantitative methods will be employed. According to Amin (2012), this research design is the most common because it gathers data from respondents at one particular point of time. This will help the researcher to know people's opinions, attitudes, and views to the problem under study.

3.3 Study population

Amin (2011) defines population as a complete collection or the universal of all the members or units of a group that of interest in a particular study.

The study population to be targeted will be at least 50 respondent's all within Nyendo-Ssenyange division in masaka municipality and my target sample will be around 40 respondents which will be around the age of 18-45 years

3.4 Area of the study

The study will be carried out to the selected women in nyendo –ssenyange division.

3.5 Sample size and selection

Wangusa (2016) defines sampling as the process of selecting a group of people, events, behavior, or other elements with which to conduct a study. Sample size is the number of observations used for calculating estimates of a given population. Therefore, the researcher will use a sample size of around 40 women.

3.6 Sampling techniques

The researcher will use purposive sampling technique in collecting the information. According to Oso and Omen (2017), purposive sampling is a technique whereby one uses one's common sense to determine the people from whom to gather information. Therefore, the researcher will use this technique because it gathers in-depth information from respondents.

Terminology used to describe samples and sampling methods

Sample = the selected elements (people or objects) chosen for participation in a study, people are referred to as subjects or participants

Sampling = the process of selecting a group of people, events, behavior, or other elements with which to conduct a study.

Sampling frame = a list of all elements in the population from which the sample is drawn.

3.7 Methods and instrument of data collection

Data collection is a process of collecting information from all the relevant sources to find answers to the research problem, test the hypothesis and evaluate the outcomes. Data collection methods can be divided into two categories: secondary methods of data collection and primary methods of data collection.

Secondary Data Collection Methods

Secondary data is a type of data that has already been published in books, newspapers, magazines, journals, online portals etc. There is an abundance of data available in these sources about your research area in business studies, almost regardless of the nature of the research area. Therefore, application of appropriate set of criteria to select secondary data to be used in the study plays an important role in terms of increasing the levels of research validity and reliability.

These criteria include, but not limited to date of publication, credential of the author, reliability of the source, quality of discussions, depth of analyses, the extent of contribution of the text to the development of the research area etc.

Primary Data Collection Methods

Primary data collection methods can be divided into two groups: quantitative and qualitative.

Quantitative data collection methods are based in mathematical calculations in various formats. Methods of quantitative data collection and analysis include questionnaires with closed-ended questions, methods of correlation and regression, mean, mode and median and others.

Quantitative methods are cheaper to apply and they can be applied within shorter duration of time compared to qualitative methods. Moreover, due to a high level of standardization of quantitative methods, it is easy to make comparisons of findings.

Qualitative research methods on the contrary, do not involve numbers or mathematical calculations. Qualitative research is closely associated with words, sounds, feeling, emotions, colors and other elements that are non-quantifiable.

Qualitative studies aim to ensure greater level of depth of understanding and qualitative data collection methods include questionnaires with open-ended questions,

Your choice between quantitative or qualitative methods of data collection depends on the area of your research and the nature of research aims and objectives.

3.8 Data management and analysis

The researcher will use both qualitative and quantitative methods of data analysis. Qualitative method will be analyzed using narrative technique. Quantitative data will be got from questionnaires collected from the respondents using frequency tables and percentages.

3.9 Reliability and validity.

According to John Dudovskiy (2010), Reliability refers to the extent to which the same answers can be obtained using the same instruments more than one time. In simple terms, if your research is associated with high levels of reliability, then other researchers need to be able to generate the same results, using the same research methods under similar conditions. It is noted that “reliability problems crop up in many forms.

According to Wilson (2010) reliability issues are most of the time closely associated with subjectivity and once a researcher adopts a subjective approach towards the study, then the level of reliability of the work is going to be compromised. The researcher will make sure that four respondents will be chosen randomly and give them same questionnaires at different times in order to get reliable data.

Validity of research can be explained as an extent at which requirements of scientific research method have been followed during the process of generating research findings. Oliver (2010) considers validity to be a compulsory requirement for all types of studies. There are different forms of research validity and main ones are specified by Cohen et al (2007) as content validity, criterion-related validity, construct validity, internal validity, external validity, concurrent validity and face validity.

Measures to ensure validity of a research include, but not limited to the following points:

- a) Appropriate time scale for the study has to be selected;
- b) Appropriate methodology has to be chosen, taking into account the characteristics of the study;
- c) The most suitable sample method for the study has to be selected;
- d) The respondents must not be pressured in any ways to select specific choices among the answer sets.

It is important to understand that although threats to research reliability and validity can never be totally eliminated, however the researcher will need to strive to minimize this threat as much as possible.

3.10 Ethical considerations

The researcher will obtain a letter of introduction from the faculty of Business Administration and Management of Uganda Martyrs University and it will be presented to the respondents or authorities to allow the researcher to carry out the study.

The researcher will ensure the following ten points which represent the most important principles related to ethical considerations in research work as stated by Bryman and Bell (2007)

1. Research participants will not be subjected to harm in any ways whatsoever.
2. Respect for the dignity of research participants will be prioritized.
3. Full consent will be obtained from the participants prior to the study.
4. The protection of the privacy of research participants will be ensured.
5. Adequate level of confidentiality of the research data will be ensured.
6. Anonymity of individuals and organizations participating in the research will be ensured.

7. Any deception or exaggeration about the aims and objectives of the research will be avoided.
8. Affiliations in any forms, sources of funding, as well as any possible conflicts of interests will be declared.
9. Any type of communication in relation to the research will be done with honesty and transparency.
10. Any type of misleading information, as well as representation of primary data findings in a biased way will be avoided.

The researcher will provide assurance to respondents that all data provided will be treated with high levels of secrecy or confidentiality.

The researcher will seek permission from the respondents if they are willing to be interviewed answer the questions in the questionnaire. In this the researcher will provide relevant explanations to respondents regarding the objectives and possible benefits of the study.

3.11.1 Limitations

- Financial resources. This is also among the limitations since the researcher will lack enough funds to carry out his research because there is a need to transport from one area to another while conducting research from respondents since they live in different areas.
- Some questionnaires will not be returned when collecting data because it was the most method used by the researcher in collecting data.
- Language barrier. People in area where research is going to be conducted know only one language which is Luganda.

- Limited time. The researcher will be limited with time since it requires a lot of time to complete the research.

3.11.2 Delimitations.

The researcher will be able to raise some funds earlier in order to limit inconveniences with funds.

The will be able to utilize the available time in order to complete in time.

3.12 Conclusions

This chapter highlighted the methods that the researcher will use in carrying out the research, research design, study population ,area of the study, sample size and selection , sampling techniques, methods and instruments of data collection, data management, reliability and validity and ethical consideration so as to find out the relationship between microloans and improvement

of women welfare

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

This chapter covers the findings, presentation and analysis of data collected from the field.

These findings were obtained from primary data using questionnaires which was specifically designed to obtain data from respondents. The findings are presented in different phases basing on the specific objectives of the study.

4.1 Bio data of respondents

4.1.1 Marital Status of respondents.

Marital status is relevant to my research in such away married couples are most people who take up loans because they can easily pay back since the get assistance from their partners than the widow one and divorced one .

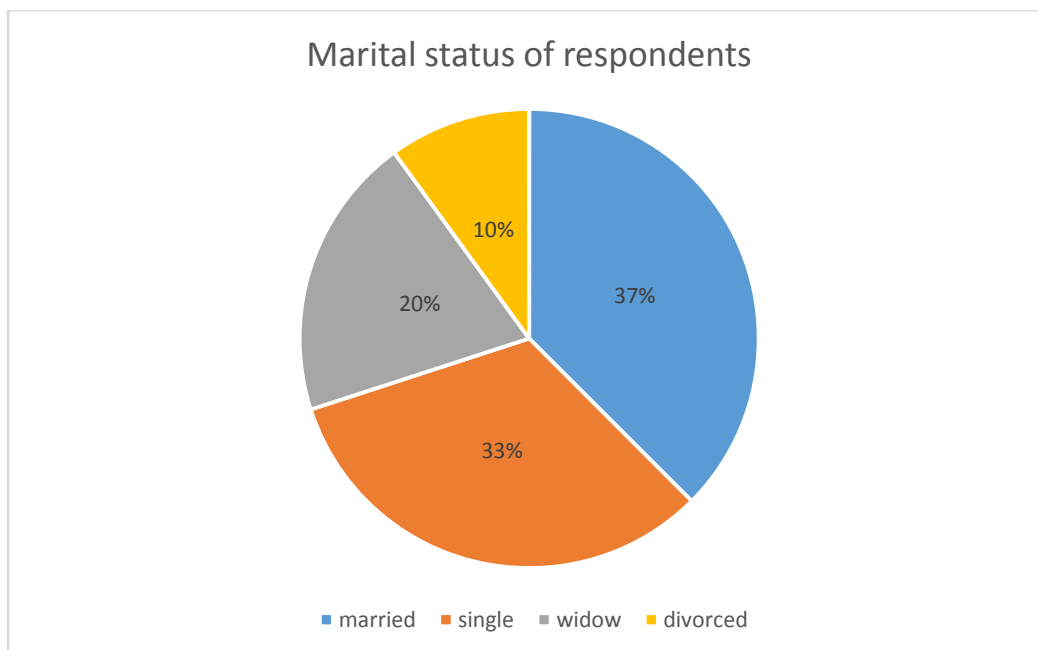
Table 4.1: Marital status of respondents

	frequency	percent	Valid percent	Cumulative percent
married	15	37.5	37.5	37.5
single	13	32.5	32.5	70
widow	8	20	20	90
divorced	4	10	10	100.0
Total	40	100.0	100.0	

Source: primary data 2018

The findings revealed as in table 4.1 that majority of the respondents were married (37.5%), 32.5% were single, 10% were divorced while 20% were widows. This implies that many married women acquire microloans to start up small businesses, Agriculture to cater for their families and improve their standards of living. This is in agreement with (Mishkin, 2010) who asserted that married women always acquire loans because they always get back up from their partners.

Figure 4.1.1 Marital status of respondents



Source: primary data 2018

4.2 Age of respondents.

Age is also very important while giving out these loans simply because the youth are innovative and energetic in such way that they can easily pay back that those between 26years and 35years.

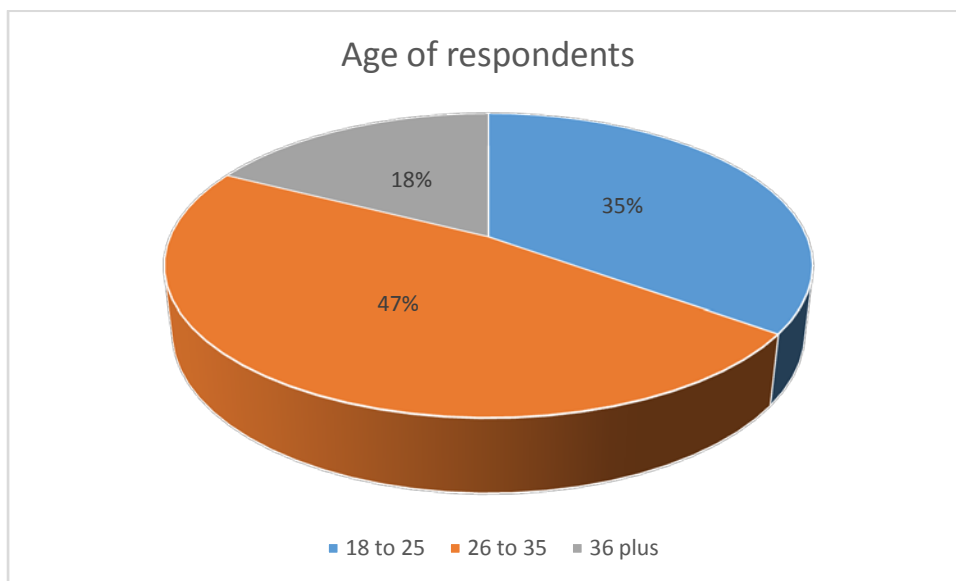
Table 4.2.1 Age of respondents

	frequency	percent	Valid percent	Cumulative percent
18 to 25	14	35	35	35
26 to 35	19	47.5	47.5	82.5
36 plus	7	17.5	17.5	100.0
Total	40	100	100	

Source: primary data 2018

The findings in table 4.2 revealed that, majority (47.5%) of the respondents were aged between 26-35 years, 35% were between 18-25 years, and 17.5% were above 36 years. The findings imply that majority of the respondents were in the youthful age and hardworking group hence putting the microloans to the main purpose since women of that age are very innovative in nature and hardworking. However, for this purpose serious investments need to be channeled towards developing the abundant and young human capital in Uganda through better health care and better education (Rahman and sohal, 2015) which is relationship with the age of respondents

Figure 4.2.1 Age of respondents



Source: primary data 2018

4.3. Education level of respondents.

Most of the times loans are given to people who are able to read and written because there is a need to sign and translate loan information that why degree holders are the who always take up these loans.

Table 4. 3.1 Level of education of respondents

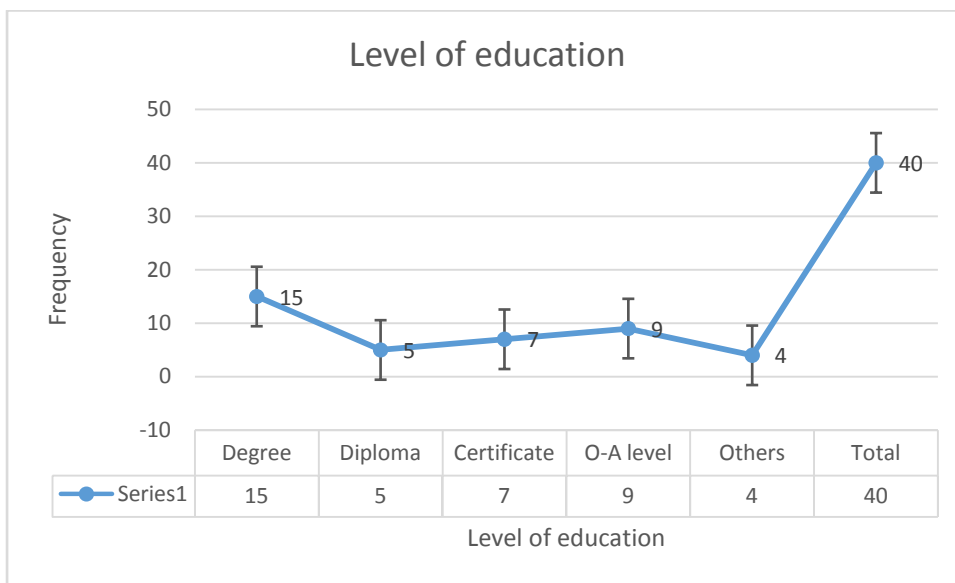
	frequency	Percent	Valid percent	Cumulative percent
degree	15	37.5	37.5	37.5
diploma	5	12.5	12.5	50
certificate	7	17.5	17.5	67.5
O-A level	9	22.5	22.5	90
Others	4	10	10	100.0
Total	40	100.0	100.5	

Source: primary data 2018

The findings in table 4.3 revealed that, majority of the respondents 37.5% were university graduate 22.5% acquired secondary education, 17.5% were certificate holders and 12.5% were diploma holders while 10% acquired no education. This implies that majority of the respondents were able to read and understand the tool.

Figure 4.3.2: Education level of respondents

Figure 4.3.4: Education level of respondents



Source: primary data 2018

4.1.5: Occupation of respondents

Respondents perform different occupation but it is relevant with my research study and findings, agricultural loans are taken to be most favorable loans as also indicated in the literature review.

Table 4.4.1: Occupation of respondents

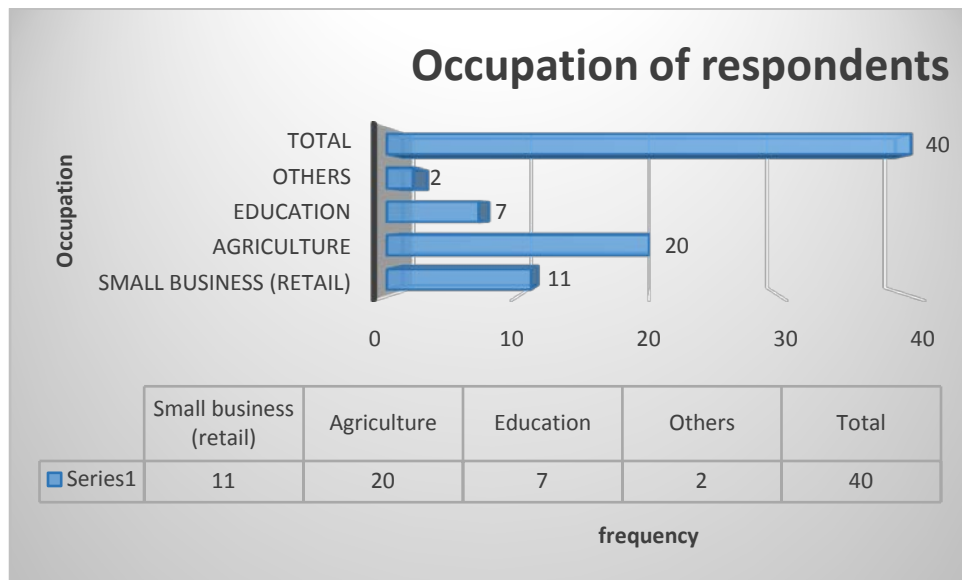
	frequency	percent	Valid percent	Cumulative percent
Small business (retail)	11	27.5	27.5	27.5
Agriculture	20	50	50	77.5
Education	7	17.5	17.5	95
Others	2	5	5	100
Total	40	100	100	

Source: primary data 2018

The findings in table 4.4 revealed that, majority (50%) of the respondents were engaged in practicing Agriculture and 27.5% involved in small business (retail) and 17.5% in education while only 5% in other activities like weather forecast. The findings imply that majority of the respondents were dealing in agricultural loans which they used to carry out agriculture. Therefore this in agreement with rural support program facilitates awareness building among the communities through information dissemination and organizing different activities such as field days and workshops in agriculture, livestock and poultry farming (**Jones, 2012**)

Figure 4.4.2: Occupation of respondents

Figure 4.4.3: Occupation of respondents.



Source: primary data 2018

4.2 Findings per objectives

4.2.1 Types of microloans on improvement of women welfare

Formal activity based Microloans have good reputation in the society from the very beginning of Modern Baking system. More or less, it played a positive rule in the rural Advancement poverty reduction. Its interest rate is enough lower and repayment schedule is flexible. Depending on the natural crises or disasters it frequently waive the interest, even it has also history of remission of the Principal loan Amount up to a certain ceiling. And microloans have different types as explained in chapter two (literature review) that is small business loans, student tuition loans and agricultural loans, therefore these loans have an effect on improvement of women welfare as noted by (Nathan, Banga Mukungu, 1999).

Therefore the statistics below indicate the opinion of respondents of the above statement.

Mean and standard deviation are used to explain the views of respondents where mean represents the average of the respondents and standard deviation represents the measure of dispersion of a set of data from its mean. It measures the absolute variability of a distribution; the higher the dispersion or variability, the greater is the standard deviation and greater will be the magnitude of the deviation of the value from their mean.

Table 4.5: Descriptive Statistics on types of microloans

STATEMENT	N	Minimum	Maximum	Mean	Std. Deviation
Women receive small business loans from financial institutions.	40	1	5	3.85	1.350
Small business loan encourages more investments and business development.	40	1	5	4.15	1.099
Agriculture loans are the most adopted loans by women.	40	2	5	4.50	.847
Agricultural loans provide financial resources to the farming community for the purchase of farming inputs like seeds.	40	1	5	4.35	1.001
Women also receive other loans like student business loans.	40	1	5	4.12	.992

The findings in table mentioned above (4.5) revealed that, respondents strongly agreed with the statement of Agriculture loans are the most adopted loans by women with a mean of 4.50 and a standard deviation of .847 This implies that Agricultural loans are the most adopted loans by the women in Masaka municipality (Nyendo –Ssenyange Division) and contribute to their welfare in such a way that According to Other rural support program facilitates awareness building among the communities through information dissemination and organizing different activities such as field days and workshops in agriculture, livestock and poultry farming (Jones, 2012). This indicates that they are the most adopted loans. Therefore this type of microloans shows apposite influence on improvement of women's welfare since it is mostly adopted by women among other types with the least deviation which enables the women to enjoy microloan services.

On another statement of Agricultural loans provide financial resources to the farming community for the purchase of farming inputs like seeds, the findings revealed that women agreed with statement with a mean of 4.35 and standard deviation of 1.001. According to Richard and Ochaya (2010), Agricultural loan provides financial resources to the farming community particularly for the purchase of primary inputs like fertilizers, seeds, pesticides, machinery, and equipment among others as noted in the literature review which implies that the mostly adopted loans (Agricultural loans) do influence the women positively since they provide financial resources to them for example they are provided with seeds.

To continue with other statements, findings also reveal that the other types also have apposite impact to women welfare as it is shown that small business loans are also received by women with a mean of 3.85 and standard deviation of 1.350 which means that women are not so much influenced by small business loans than agricultural loans but if received they have a great impact. However this one seem to agree with (Malcolm, 2016). Who noted that small business loans are to start up small scale businesses such as mobile money, shops,

saloons, boutiques, restaurants as shown in the statement that they encourage more investment as proved with a mean of 4.15 and standard deviation of 1.099. This that microloans have greatly helped women since they can acquire business development and make more investments.

Finally findings also reveal that most of the Women also receive other loans like student business loans with a mean of 4.12 and standard deviation of .992 and this implies that women can easily acquire education and other services through microloans. And this was observed by different secondary sources for example bank silps, report.

Brian C. Briggeman (2016) asserted that Agricultural loans are the crucial loans and mostly adopted loans in Uganda therefore their access contributes to the success of many farms and other business success. Which is in line with the above statements that agricultural loans and other types of loans improve women welfare.

In the field I interviewed the women in nyendo-senyage division about the advantages of microloans and their *reply was that they can easily acquire property , education and better health services, and they also said that these advantages forces them acquire more microloans.* basing on the agreement of the respondent, she agrees with scholar (Mayoux, 2011) who asserted that microloans do positively impact women.

4.6 Microloan's on improvement of standards of living of women.

Microcredit is perceived as an effective tool to empower women, especially those who are deprived of accessing financial services. However, the literature has arrived with contradictory evidence and demonstrates that the effect of microcredit may partially or not empower women. This study intends to examine whether the access to microloans improve the standards of living (AmanahKithira2017). Microcredit empowers women borrowers in a set of household decisions making including mobility, daily expenditure, children school,

health expenditure and loan order decision. Therefore the statistics below indicate the opinion of respondents of the above statement.

Mean and standard deviation are used to explain the views of respondents where mean represents the average of the respondents and standard deviation represents the measure of dispersion of a set of data from its mean. It measures the absolute variability of a distribution; the higher the dispersion or variability, the greater is the standard deviation and greater will be the magnitude of the deviation of the value from their mean.

Table 4.6: Descriptive Statistics on standards of living

	N	Minimum	Maximum	Mean	Std. Deviation
Microloans have greatly helped me to have access to health service, education and other necessities	40	1	5	3.98	.920
Women have capacity to use microloans for intended purpose and pay back	40	1	5	3.78	1.271
Microloans have helped me to acquire property, which has helped me to turn my vision into reality.	40	1	5	4.35	1.001
Microloans have helped me to achieve my investment goals.	40	1	5	4.22	1.050
Microloans have contributed to poverty reduction in life.	40	2	5	4.30	.648

The table above explains the mean and standard deviation of the statements which are used to analyze respondent's agreement in relationship with the statements

The findings revealed that most of the respondents agreed with the statements that microloans have improved the standards of living of women as evidenced by the above statements in the table

Most of the women agreed on the statement of Microloans have helped me to acquire property, which has helped me to turn my vision into reality with a mean of 4.35 and standard deviation of 1.001 which means most of the respondents believe that they can acquire property through the use of microloans and also increase on their level of employment opportunities. Asthenia (2013) noted that, Microloans provide a pathway for small business owners to build or rebuild their personal credit history. Many applicants have little or no credit history and don't have the collateral that larger businesses can use to secure a loan, such as commercial real estate, accounts receivable, or inventory, which is in agreement with the above statement that people can acquire property through the use of microloans.

Another statement also shows the views of respondents towards the effect of microloans on improvement of women welfare which states that Microloans have contributed to poverty reduction in life with a mean of 4.30 and standard deviation of 1.050 which means that a few of respondents disagreed with the statements therefore this implies that microloans do reduce poverty among women as it is also seen in the literature review that, the importance of microloans in Uganda has soared in the recent decade and the instrument is now seen as one of the most effective tools to tackle poverty in the country. The belief in microloans derives from the fact that the provision of loan to the active poor can contribute to poverty reduction and pass the test of sustainability. (Muwanigwa, 2013).

On another statement “Microloans have helped me to achieve my investment goals with a mean of 4.22 and standard deviation of 1.050 which implies that women can easily invest with the use of microloans thus improving women economic situation. Another statement “Microloans have greatly helped me to have access to health service, education and other necessities” with a mean of 3.98 and standard deviation of 0.92 The findings revealed that women who always acquire microloans can use them to acquire the basic necessities of life like health services which improves on the quality of their life. Finally on the last statement “Women have capacity to use microloans for intended purpose and pay back” with a mean of 3.78 and standard deviation of 1.271 Therefore the findings revealed that some women can easily acquire microloans for intended purposes and payback but others they cannot easily acquire these loans and manage to pay back therefore they disagreed with the statement hence the level (value) of dispersion of a set of data from its mean was 1.271.

The information above was evidenced by a scholar (IMAHMOOD-2017) who asserted that Microloans improve on the standards of living of women encouragement of women empowerment through poverty alleviation, taking their children to school, pay medical bills, feed their families and also prepare for future crisis and also empower their positions in family as well as in society.

In the field I interviewed the women in nyendo-sseyage division that do microloans improve your standards of living, *their reply was that yes they improve our standards of living through acquiring of better health services, good diet.* This in agreement with Reg Smith (2017) who noted that microloans are more favorable because they improve the standards of living

4.7 Challenges of microloans on improvement of women welfare

A microloan is perceived as an effective tool to empower women, especially those who are deprived of accessing financial services. However, the literature has arrived with contradictory evidence and demonstrates that the effect of microloans sometimes do not empower women. This study intends to illustrate the several challenges women find while using these loans.

Mean and standard deviation are used to explain the views of respondents where mean represents the average of the respondents and standard deviation represents the measure of dispersion of a set of data from its mean. It measures the absolute variability of a distribution; the higher the dispersion or variability, the greater is the standard deviation and greater will be the magnitude of the deviation of the value from their mean.

Table 4.7: Descriptive Statistics on challenges of microloans

	N	Minimum	Maximum	Mean	Std. Deviation
Businesses started with microloans are more likely to fail than those started with traditional funding sources.	40	1	5	3.78	1.230
Microloans have put people into debt trap due to difficulties in loan repayment.	40	1	5	3.90	1.128
Microloans have made the women and other people poorer than making them richer because they consume more instead of investing for future.	40	1	5	4.02	1.330
Microloans are not extended to people with little or no assets.	40	1	5	3.92	1.095
Microloan lenders give out microloans basing on the return	40	1	5	4.50	.784

The findings in table 4.6 above revealed that, respondents had different agreements with the statements or challenges listed in the table. “Microloan lenders give out microloans basing on the return” with a mean of 4.50 and standard deviation of .784. This implies that institutions which give out microloans they base on return yet today many businesses fail to raise up expected return due to many economic factors for example high inflationary rates that’s why many respondents gave out appositive view on that statement with a mean of 4.5. This seems

not to agree with Schrenier and Colombet (2001) who asserts that microloans should not aiming at providing loans to the poor so as to reduce poverty and improve their standards on living .

On another statement “Microloans have made the women and other people poorer than making them richer because they consume more instead of investing for future.” With a mean of 4.02 and standard deviation of 1.330 and this implies that the loans acquired are used for home consumption since women cannot live without consuming hence using microloans for other purposes instead of investing them for future benefits. This is also seen in the interview responses where some respondents suggested that microloans are not easy to pay back because sometimes the economy is not stable and become un able to pay hence being a challenge

On another statement of “Microloans are not extended to people with little or no assets”. With a mean of 3.92 and a standard deviation of 1.095 this implies that women respondents agreed with the statement, which indicates that it’s true MFIs most of them don’t give out loans to individuals without assets yet many individuals lack collaterals hence being a challenge. On another statement the finds revealed that “Microloans have put people into debt trap due to difficulties in loan repayment” with a mean of 3.90 and standard deviation of 1.128 this implies that microloans are attached with high interest rates which discourages loan repayment hence putting people in to debt trap.

Finally The findings revealed that “Businesses started with microloans are more likely to fail than those started with traditional funding sources” with a mean of 3.78 and a standard deviation of 1.230 some of respondents agreed with the statement which implies that microloans are not the best source of funding because there is a need of securities to acquire these loans. This is also evidenced by different respondents who suggested that using savings

as a source of capital is better than using loans and they gave out secondary source for example reports of business departments which use savings when they perform better than those which use microloans.

Isahaque, D&Arant.(2016) asserts that microloans lead to an unexpected reversal in the narrative of the economy in such a way that they lead to credit bubbles and high risk of paying back.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The current chapter presents the summary, discussion, and recommendations of the findings that are presented objective by objective. The study was guided by the following objectives.

- To find out the types of microloans given to the women for improvement of their welfare in Nyendo-Ssenyange division in Masaka municipality.
- To find out how microloans have improved the standards living of the women in Nyendo-Ssenyange division in Masaka municipality.
- To find out the challenges of microloans on the improvement of the women welfare in Nyendo Ssenyange Division in Masaka municipality.

5.1 Summary of key findings

5.1.1 Types of microloans on improvement of women welfare

Findings were in agreement with most of the following statements. The findings revealed that most of the women within Nyendo –Ssenyange division acquired mostly agricultural loans with a percentage of (50%) this is because most of the women deal animal, poultry keeping and crop husbandry this also seen in the literature review as noted by **Richard and Ochaya (2010)** who asserted that agriculture of crops and rearing of animals for domestic or commercial purposes. Agricultural loan provides financial resources to the farming community particularly for the purchase of primary inputs like fertilizers, seeds, pesticides, machinery, and equipment among others. The government considers it as an important instrument for achieving higher production and attaches high priority to ensure its timely availability to the farmers. Growth in the agricultural sector will enhance the productivity

which will lead to the betterment in the economic conditions of farmers', improvement in their education, health status. Farmer in rural areas need more facilitation than the farmers in urban areas. Therefore rural areas should be focused according to their requirement.

Microloan plays an important role in the agricultural development. One element of an effective strategy for poverty reduction is to promote the productive use of firm inputs. This can be done by creating opportunities for raising agricultural productivity among small and marginalized farmers. Microloan is particularly relevant to increasing productivity of rural economy, especially agricultural productivity as well as financing arrangement of activities adding value to agricultural output.

Rural microloan is intended primarily for investment in rural production activities to improve the well-being of the poor by starting up poultry projects, Banana plantations and piggery projects to mention women deal animal, poultry keeping and crop husbandry and were in the age of ...26 to 35...years., followed by small business loans (retail) with a percentage of (27.5%) and lastly student tuition loans with a percentage of (17.5). These types of microloans have greatly helped women achieve their investment goals. Savings with the MFI have helped women to acquire property. Women savings with the MFI aid access to health services, Education, and other necessities.

5.1.2 Microloans on improvement of standards of living of women.

Findings were in agreement with most of the following statements. All women who acquired microloans, the findings revealed that their standards of living improved at least to a certain level mostly their health improved followed by a reduction in poverty and then improvement in education which means that women have capacity to use the credit funds for the intended purpose and gain from them. This is in agreement with consider (Muwanigwa, 2013).

Microloans can make a person business dream come true, and that's something worth considering in today's economy.

Also more microloans have managed to change the profile of the rural unemployed community. However, poor people living in villages and small towns have no way of starting small, home based businesses in case they were unemployed for the simple reason that they were just not considered loan worthy by mainstream banks.

The importance of microloans in Uganda has soared in the recent decade and the instrument is now seen as one of the most effective tools to tackle poverty in the country. The belief in microloans derives from the fact that the provision of loan to the active poor can contribute to poverty reduction and pass the test of sustainability.

5.1.3 Challenges of microloans on improvement of women welfare.

Findings revealed that majority of the respondents were in agreement with the statements.

The findings revealed that there were a number of challenges women faced while using these loans which had a negative impact on improvement of women welfare and these challenges included Businesses started with microloans are more likely to fail than those started with traditional funding sources indicated with a percentage of (..30%), Microloans have putted people into debt trap due to difficulties in loan repayment with a percentage of (...35%) and Microloans have made the women and other people poorer than making them richer because they consume more instead of investing for the future with a percentage of (...52%)

5.2 Conclusions

The major objective of the study was to examine the effect of microloans on the improvement of women's welfare in Nyendo-Ssenyange division in Masaka municipality.

According to the study findings, microloans have an effect on women welfare because the different microloan types such as Small business loan, Agricultural loan and Student tuition loan have many contributions to women welfare which is in line with the theory of Women In Development and woman empowerment theory because it aims at making women visible in the development process by emphasizing their productive side such as meeting their investment goals, increase in property ,improvement in standards of living.

5.3 Recommendation

MFI should extend more different types of loans to women in order to promote the standards of living of women citizens and improve on their economic activities.

The interest rate charged on micro loans should be kept low to enable women borrow so as to improve on their welfare.

The management of micro finance institutions like BRAC Uganda in Nyendo–Ssenyange division office in Masaka Municipality should be flexible enough for the entry requirements of the loans especially small business loan and allow to give loans to even the women that do not have any running business initially or those who don't have collateral securities in order to include more women in the development process

The management of Uganda Martyrs University should add more time to the students when writing the research reports in order to devote more time and produce better reports.

5.4 Areas for further research

Future researchers should find out the solution to misuse of the Small business loan, agricultural loan and student tuition loans because some times when the men in the household force the women to divert these loans to solving house hold problems and also some men take away these loans from women to drink alcohol

Future researchers should find out the effect of micro loans on the performance of small and medium businesses

Future researchers should also find out the effect of lending policies granted to women while acquiring of microloans.

Future researchers should find out how better the loan officers can manage the Agricultural loan given the many threats to its success especially in developing countries like Uganda that include drought and environmental changes.

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APPEDIX 1
LETTER OF INTRODUCTION

APPEDIX 2
QUESTIONNAIRE

Dear Respondent.

I am Kalanda Hudson, a student of Uganda Martyrs University kindly request you to assist me in data collection for my research using the questionnaire. The study is intended to examine **The Effects of Microloans on improvement of women’s welfare in Masaka Municipality a case study of Nyendo-Ssenyange Division** as a requirement for award of a bachelor’s degree in Business Administration and Management of Uganda Martyrs University. You are kindly requested to contribute to this study by answering the questions below. The data sought shall be used purely for this study and will be treated with utmost confidentiality. Your cooperation will be highly appreciated.

(Tick the box that represents or is similar to your view or fill in the space provided appropriately.)

A. RESPONDENTS BIO-DATA

1. Marital status

- | | | | |
|------------|--------------------------|-------------|--------------------------|
| a) Married | <input type="checkbox"/> | b) Single | <input type="checkbox"/> |
| c) Widow | <input type="checkbox"/> | d) Divorced | |
| | <input type="checkbox"/> | | |

2. Age bracket

- | | | | |
|-------------------|--------------------------|-----------------------|--------------------------|
| a) 18 to 25 years | <input type="checkbox"/> | d) 36 years and above | <input type="checkbox"/> |
| c) 26 to 35 years | <input type="checkbox"/> | | |

3. Academic qualifications

a) O-A level

b) Certificate

c) Diploma

d) Degree

e) If others specify.....

4. Occupation of respondent's

a) Agriculture

b) Small business (retail)

c) Education

e) If others specify.....

B.WHAT ARE THE TYPES OF MICROLOANS GIVEN TO WOMEN TO IMPROVE THEIR WELFARE.

STRONGLY DISAGREE	DISAGREE	NOT SURE	AGREE	STRONGLY AGREE
1	2	3	4	5

STATEMENT	1	2	3	4	5
Women receive small business loans from financial institutions					
Small business loans encourages more investments and business development.					
Agricultural loans are the most adopted loans by women					
Agricultural loans provide financial resources to the farming community for the purchase of farming inputs like seeds.					
Women also receive other loans like student business loans.					

Are there other types of microloans received by women apart from those ones mentioned

above?

If yes justify and give possibilities of acquiring them?

.....

C. HOW MICROLOANS HAVE IMPROVED THE STANDARDS OF LIVING OF WOMEN?

STRONGLY DISAGREE	DISAGREE	NOT SURE	AGREE	STRONGLY AGREE
1	2	3	4	5

STATEMENT	1	2	3	4	5
Microloans have greatly helped me to have access to health service, education and other necessities.					
Women have capacity to use microloans for intended purpose and pay back.					
Microloans have helped me to acquire property, which has helped me to turn my vision into reality.					
Microloans have helped me to achieve my investment goals					
Microloans have contribute to poverty reduction in life.					

Does the accessibility of microloans contributed to your welfare in any other ways apart from improving standards of living?

Yes.....

No.....

If yes give reasons.....

D.WHAT ARE THE CHALLENGES OF MICROLOANS ON IMPROVEMENT OF WOMEN WELFARE.

STRONGLY DISAGREE	DISAGREE	NOT SURE	AGREE	STRONGLY AGREE
1	2	3	4	5

STATEMENT	1	2	3	4	5
Businesses started with microloans are more likely to fail than those started with traditional funding sources.					
Microloans have putted people into debt trap due to difficulties in loan repayment.					
Microloans have made the women and other people poorer than making them richer because they consume more instead of investing for the future.					
Microloans are not extended to people with little or no assets					
Microloan lenders give out microloans basing on the return					

Are there any other challenges you face when receiving microloans?

Yes.....

No.....

If yes mention them and suggest possible

solution.....

APPEDIX 3

INTERVIEW GUIDE

1. What is your highest level of education?
2. What are your possible sources of finance?
3. Do you have knowledge about microloans?
4. What types of microloans do u have access?
5. Are you compliant to your microloans?
6. How do the microloans affect the improvement of your welfare?
7. Do you face some challenges?
8. What are those challenges?
9. What are the solutions to those challenges?

THANK YOU FOR YOUR COPERATION.