

Microfinance and Women Empowerment: To what extent has access to loans led to a change in gender responsibilities at the household level: A case study of women in Ddwaniiro sub county-Rakai district of Uganda

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The master thesis is carried out as a part of the education at the University of Agder and is therefore approved as part of this education. However, this does not imply that the University answers for the methods that are used or the conclusions that are drawn.

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ABSTRACT

Microfinance has been recognized internationally as a great strategy in promoting women's empowerment. Currently development practitioners, international donors, policy makers, Governments, and Non-governmental organizations have introduced microfinance programs to reach out with financial services to the low-income earners, especially women. This is based on the conception that women have better repayment records and also if credit is placed in women's hands, it leads to improvement in the wellbeing of entire household.

This study therefore aimed at assessing the extent to which access to loans by women can lead to a change in gender responsibilities within the household amongst women in Ddwaniro sub county of Rakai district. Empowerment in this case was thus defined in terms of women's ability to manage household responsibilities that were hitherto defined by society as men's roles. Using qualitative methods of data collection, the study revealed a positive connection between women's access to loans/income and increased household responsibilities. However women need support from their husbands, such that the increased responsibilities don't become a burden, but rather one way of improving the family. Important to note is that, this study does not conclude that women who have not accessed loans cannot take on household responsibilities, as they may be having other sources of income other than borrowing. In other words, access to loans shouldn't be taken as a parameter for women to take on household responsibilities.

Key words: Gender roles/Responsibilities, Women's empowerment, Microfinance

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DEDICATION

I dedicate this thesis to my lovely parents Mrs. Justine and Mr. Johnson Lukwago for being on my side throughout my studies. To my brothers and sisters: Anthony, Michael, Aloysius, Jessy, Ritah, Anitah and Angela who are still in school, I wish you the best.

DECLARATION

I Josephine Nabayinda hereby declare to the best of my knowledge that the master thesis entitled *“Microfinance and Women Empowerment; To what extent has access to loans led to a change in gender responsibilities at the household level. A case study of Ddwaniro sub county-Rakai District of Uganda* is my original work, which has not been presented before to any institution for any academic award other than University of Agder.

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LIST OF ABBREVIATIONS

FHL	Flexible Housing Loans
MBL	Micro-Business Loans
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
RDLG	Rakai District Local Government.
SBL	Small Business Loans
UGAFODE	Uganda Agency for Development Limited
UMAR	The Uganda Microfinance Assessment Report.
USAID	United States Agency for International Development
WOGA	Women and Girls Empowerment

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Chapter One: 1.0 Introduction:

The 1990 world conference about population, human rights and social development provided opportunities to mobilize actors and policy makers about the need to promote women's empowerment (Desai, 2010, P.1). It is believed that focusing on women empowerment in development does not only benefit women, but also improves the overall life standard of their families and that of the communities through the positive externalities (Cheston and Kuhn, 2002). Despite the many international agreements and declarations affirming the rights of women, they have become poorer as compared to men and their situation is indeed alarming. Women have less access to credit, medical care, property ownership, training and employment which limits their capacity to participate as equals with men in the achievement of sustainable development (UNFPA, 2008). Cheston and Kuhn (2002,p.8) confirm that 70% of 1.3billion people living on less than \$1 a day are women in addition to their higher unemployment rates in every country as compared to men.

Following the success of a microfinance project in Bangladesh in the late 1970s, an international women conference was held in Mexico in 1975 with particular attention to solve women's lack of credit through access to micro loans (Noreen, 2011). This focus was based on the assumption that giving credit to women increases their incomes, thus are able to participate in the betterment of their families. Therefore microfinance has become a strategy being adopted by international aid donors, governments and development practitioners to reach women and involve them in development. Cheston and Kuhn (2002, p.6) argue that 14.2 million of the world's poorest women are now able to access financial services through specialized microfinance institutions. In addition, Noreen (2011, p.318) states that such services have the potential to increase women's empowerment through influencing their decision-making power especially at the household level, and also improve their overall socio-economic status.

1.1 Defining Key Concepts

Gender roles/responsibilities: Inglehart and Norris (2003, p.8) defined the concept as *“the socially constructed roles and learned behavior of women and men associated with the biological characteristics of females and males”*. In societies where such roles are rigid, they do determine the rights, resources, powers of men and women as well as the division of labor in home and workplace. While in some societies where men’s and women’s roles are interchangeable, there are fewer social expectations.

Women’s empowerment: The UN (2001, as cited in Kabeer, 2012, p.7) defined the concept in terms of five components: *‘women’s sense of self-worth; their right to have and determine choices; their right to have access to opportunities and resources; their right to have the power to control their own lives, both within and outside the home; and their ability to influence the direction of social change to create a more just social and economic order, nationally and internationally’*.

For the purpose of this paper, empowerment was measured in terms of responsibilities and as far as exercising their rights is concerned in the household. For example who decided and pays school fees, hospital bills, buys food for the house among other needs of the family.

Microfinance: Otero (1999, as cited in Wrenn, 2005) defined microfinance *“as the provision of financial services to the low-income poor and very poor self employed people”*. These financial services include savings and credit but can also include other financial services such as insurance, pensions and payment services. In this thesis microfinance and microcredit have been used interchangeably, although the focus of the thesis is on microcredit. However Sinha (1998 as cited in Wrenn, 2005) highlighted the difference between the two terms. He defined microcredit as the small loans, while microfinance is where Microfinance Institutions supplement loans with other services such as savings, pension among others. This means that microcredit is a component of microfinance.

1.2 Statement of the Problem.

Women's empowerment is one of the important issues that are at the forefront of development practitioners in most of the developing countries. Although women comprise of the biggest proportion of the population of the world, their status and involvement in decision-making is still very low. In many parts of the world where the male dominated society system is predominant; women have been constrained by socio-cultural structures. Women have not only been disadvantaged in access to material resources like credit, property and money, but they have also have been excluded from social resources like education and knowledge concerning some businesses (Cheston and Kuhn, 2002, p.12). UNFPA stresses that women have been confined to taking care of the families and house chores such as carrying water, collecting firewood as well as engaging in most of the agricultural work with limited or no financial avenues. Such unpaid labor activities have increased women's economic shocks thus broadening the gender gaps between women and men (UNFPA, 2008).

With such a background, a number of institutions including microfinances have come up to devise ways on how the situation of women can be changed. Although it cannot be argued that all barriers to women's empowerment can be addressed through access to micro credit, Cheston and Kuhn (2002, p.5&14) claim that when properly designed, microfinance programs can contribute to women's empowerment. They argue that microfinance puts capital in the hands of women, which enables them to earn an independent income and contribute financially to the betterment of their families and communities at large. In the same way, Noreen (2011, p.319) argues that once women are helped to increase their incomes, they will always spend their profits on their family needs particularly on children's education, diet, health care and clothing. Especially in the male dominated societies, such roles were traditionally meant for a husband in a house. This

thesis therefore is concerned with examining the extent to which access to loans has led to a change in gender roles at the household level.

1.3 Justification for the Study

The findings of this study will contribute to the existing body of knowledge on microfinance and empowerment of women. Considering the fact that the study was carried out in a rural area, the findings will help in availing information on how rural women have escaped the boundaries of culture to take on roles that were once defined by society as men's roles.

The findings will also contribute to the ongoing debate of how possible it is to achieve women's empowerment through provision of microfinance. Since the study focused on understanding how women perceive their own empowerment, then such findings will be helpful to the policy makers in drawing recommendations on the different ways of measuring empowerment especially at the household level.

1.4 Research Objective and Questions

The main objective of the study was to find out if and how access to micro loans has shifted the gender roles/responsibilities in the household in Rakai district in the South-Western region of Uganda. The following research questions were formulated in trying to understand and explore the experiences and perceptions of the intended respondents:

1. What motivates women to take up loans and what are the loans mainly used for?
2. How has access to loans led to a change in responsibilities within the household?
3. What challenges do women face in accessing and or utilizing the loans?
4. How can such challenges be minimized?

1.5 Background Information on Rakai District.

1.5.1 Geographical Location and Size

Rakai district is located in the South- Western region of Uganda, on the western shores of Lake Victoria, lying between longitude 31⁰E, 32⁰E and latitude 0⁰S. Its southern boundaries are part of the international boundary between Uganda and Tanzania. It is bordered by Lyantonde district in the Northwest, Masaka district in the North, Kalangala District in the East and Kiruhura and Isingiro, districts in the West.

The district covers an area of 4012 square kilometers. Since it shares a long southern boundary with Tanzania, it has led to frequent influx of livestock from migrating pastoral communities in Tanzania. This creates a permanent threat of animal diseases, shortage of waters, pastures and land conflicts.

The geomorphology of the district renders some areas especially those that are hilly and difficult to access and makes service delivery a great challenge. On the other hand, it leads to soil erosion, accelerated degradation of the infrastructure and flooding of the low areas (RDLG, 2012/13).

The Women and Girls Empowerment (WOGGE) report further reveals that the district has numerous streams, wetlands, rivers as well as many springs thus, richly endowed with surface water resources. The availability of surface water implies a huge investment potential in the fisheries and livestock sectors, which could contribute to the increased local revenue. However, as already mentioned above, prolonged drought leads to shortages of water and pastures between July and September and January and March of each year.

Administratively, the district is of three counties-Kooki, Kakuuto and Kyotera, with 19 sub-counties, three town councils and two town boards (WOGGE, 2012).

Table 1: Administrative units of Rakai district

Administrative Unit	Number in District
Counties	03
Sub-counties (L.C.III)	19
Town councils (L.C.III)	03

1.5.2 Demographic Information

According to the estimates made by WOGA (2012), the total population of the district is 484,400 people, with 51.4% of the population aged below 15 years. This means that majority of the population is young indicating a high dependency and demand for social services (especially education and health).

Furthermore the report indicates that 96% of the population is rural, a situation which reflects that the district's economy is basically agricultural in nature. The economy is reliant on crop production and livestock with 77.6% of the population engaging in subsistence farming. The industrial sector of the district is mainly agro-based hinging on maize crop, coffee processing, fish processing, furniture works and carpentry. Women are more involved in farming activities than men, although men control and own land. This means that men take important decisions on the sale of produces women have cultivated. Thus limiting women's potential of being active participants in the development process of the district and the country at large.

The high prevalence rate of HIV/AIDs has contributed to persistent poverty in the district because of its effects on the productive work force. Women and children are the ones who bear the burden of nursing the sick and managing households with over stretched resources.

As far as education is concerned, there are predominately low levels of education and lack of skills, which are mainly a result of high dropout rates, especially among girls in both primary and secondary schools. This has increased the percentage of teenage pregnancies and early marriages. Below is the map of Rakai district showing the different sub counties. The arrow therein maps the study area (Ddwaniro Sub County).

challenges can be minimized. It also covers brief information on the status of microfinance in Uganda.

Chapter Three: This chapter explains the methodology employed in this study. The chapter highlights the research design, strategy, methods used to collect data, sampling techniques, the data analysis procedure, the ethical values and principles that were followed while conducting the research as well as the limitations to the study.

Chapter Four: This chapter offers information concerning UGAFODE management systems, and the challenges the organization faces while extending credit to the rural poor

Chapter Five: This chapter presents the findings as related to the research questions. The chapter was arranged according to the themes as developed from the research questions.

Chapter Six: This chapter gives the concluding remarks from the study, as well as offering recommendations to the future researchers and other microfinance institutions and government, on how to better extend credit to the poor.

Chapter Two: 2.0 Literature Review

There is a wide range of literature concerning microfinances and women's empowerment. The findings from the different studies reveal interesting, but diverging views. This chapter presents some of the literature written. In other words, this chapter does not give a comprehensive and exhaustive body of all that has been written on microfinance and women's empowerment, but rather gives a reflection of what has been written and studied on the topic. The section begins with explaining the concept of empowerment; the second part discusses the microfinance sector, followed by the microfinance and women section, this is then followed by the section on the importance of integrating women's empowerment in microfinance, the discussion on the challenges faced by women borrowers and how they can be minimized. The last part highlights the growth of microfinance institutions in Uganda.

2.1 The Concept of Empowerment and its Dimensions

Gender equality and women's empowerment is the third of the eight millennium development goals set by the United Nations, in a bid to achieve development in the least developed countries. Because of this, women's empowerment has become a central issue in the development strategies of many developing countries. However, its achievement is subject to many factors considering the fact that empowerment itself is a multidimensional concept, which has been defined and is still being defined using a number of variables. Kabeer, one of the prominent writers on empowerment, defines the concept as the process by which those who had been denied ability to make choices acquire such ability (Kabeer, 2005). She identified three different levels where empowerment can be achieved or failed;

a) *Agency*, which relates to the process by which choices are made and put into effect. For one to make choices, they have to be with the power to make such choices. However, according to Kabeer, this dimension is affected by institutional factors especially the socio-cultural norms. Therefore for one to be empowered, they should have the power to challenge such existing cultural norms. Inglehart and Norris (2003, p.9) argue that where traditional values prevail, women are not only limited by society in terms of the

opportunities they seek but also limit themselves. Thus, cultural change is a prerequisite for achieving women's empowerment.

b) The second dimension as put by Kabeer is that of *resources*. This relates to the medium through which agency is exercised. These resources can be distributed through the various institutions and relationships in the society. Worthy to note here is the extent to which the resources are made available. For example if a woman's access to resources is dependent on a family member, then her choice to have such resources is limited and dependent on that family member.

c) Having received the resources, women are able to make choices of the kind of life they want to live. This brings us to the level of *achievement*. Kabeer defines achievement as "*the extent to which women's potential to achieve empowerment is realized or failed*". These achievements, however, should lead to women's independence other than just meeting their survival needs.

Oxaal and Baden (1997,p.10) comment, there has been a tendency by many empowerment practitioners to assume that increasing access to resources or decision-making power in one area, will automatically lead to a change in other areas. For example, providing credit to a woman may not increase women's control over resources and their bargaining power, but the context under which this credit is delivered is what makes it meaningful. It will be hard to facilitate credit amongst women in the context where organizational cultures are biased towards the participation of women in decision-making. This therefore means that it's not about credit alone, but also the structures and processes through which credit will be used or even acquired need to be examined. For that reason, Oxfam (1994, as cited in Oxaal and Baden, 1997) suggested, "*empowerment is demonstrated by examining the quality of people's participation in decision making and processes affecting their lives*".

2.2 The Microfinance Sector

Microfinance institutions were hardly heard of until the early 1980s when microfinance institutions like Grameen Bank successfully provided small loans to both men and women on large scale (Wrenn, 2005). Starting with a 27 USD loan to 42 women by Mohammad

Yunus in 1976, microcredit has grown into worldwide efforts with a loan portfolio of over 43 billion dollars (Valadez and Buskirk, 2010).

Since then, the impacts of microfinance institutions were not so much felt until the 1990s that led to accelerated growth in the number of microfinances all over the world. Dichter (1999 as cited in Wrenn, 2005) refers to the 1990s as the “microfinance decade”. Today microcredit has been developed in many countries around the world with more than 10,000 microfinance institutions, representing a business of €50 billion each year for 500 million borrowers (Auge et al, 2010). According to Valadez and Buskirk (2010) Muhammad Yunus’ visionary mission of helping the poorest of the poor is now evolving into a system that no longer operates as a compensate social institution as his intention, but rather a self sustaining business that lends low cost money, yet provide a reasonable return to the investors.

The proponents of microfinance argue that the industry has played an instrumental role in the development process especially that of the developing countries. Otero (1999 as cited by Wrenn, 2005) asserts that, microfinance helps people to move out of poverty as it reaches productive capital to the poor who have been excluded from the formal banking sector. Bandura (1997) commented that, the poor would have a sense of being capable when they are able to convert natural resources into production of goods or delivery of services. He adds that having funding to do this, will give them more confidence and lead to a feeling of self worth once they meet their expectations through their work. In the same way Sara (2011) confirms that microfinance is a powerful tool to self empower the poor at the world level especially women in developing countries. As far as gender equality is concerned, D’espallier et al (2012, p.591) have described microfinance as an effective tool that promotes women’s empowerment.

2.3 Microfinance and Women

The microfinance industry has been on a rise for the past three decades. It has now become the target for many NGOs as a tool for alleviating poverty and promoting women’s empowerment. Women have been able to access formal financial services which

they couldn't in the past due to lack of collateral, limited mobility and illiteracy (Cheston and Kuhn, 2002). This has supported women in developing income-generating activities thus increasing income in women's hands, as well as strengthening their bargaining power especially at the household level.

At the beginning of the microfinance industry especially with the Grameen Bank, attention was more on large numbers of men with smaller groups of women (De Aghion and Morduch, 2005). However in the early 1980s, there was a growing concern on repayment records of men thus shifting the focus to women. This was also as a result of the 1975 international conference on women, which was centered in Mexico to devise means on how women could get access to credit. It was aimed at recognizing women's productive role in the development process. By the end of the 1980s the number of women clients had increased to 90%. De Aghion and Morduch (2005) mentioned some of the reasons as to why there was a shift in focus of microfinances from men to women.

First, is the repayment record of women that was better than that of men. Women proved to be more reliable than men in terms of repaying back the loan. For example Hossain's (1988, as cited by De Aghion and Morduch, 2005, p.139) study among rural women in Bangladesh revealed 81 percent of women had no repayment problems as compared to 74% of men. While Khandker, et al (1995) found out that 15.3% of male borrowers were struggling with their repayment (missing some payments before the final due date) in 1991 as compared to only 1.3% of women borrowers who had such difficulties. In addition, The Grameen Bank Annual report (2006 as cited in Rahman et al, p.288) proved that the loan recovery rate increased to 98% when loans were issued to women.

The second reason as to why there was a shift to women is based on the argument that, providing resources to women may deliver multiple development benefits. This is because women spend most of their incomes on the wellbeing of their families. According to Noreen (2011), women's access to financial resources leads to improvement in the children's health, diet, education and clothing.

Further more, Fletschner (2009) argues that many rural women all over the world contribute to the national agricultural outputs and family food security, yet they are more credit constrained as compared to men of the same socio-economic conditions. To summarize the condition of women, Liz McKenzie (1993 as cited in Lakwo, 2006, p.3) asserted that “*women account for more than 50% of the world’s population; they do perform 67% of the world’s working hours, are 60% of the world’s labour force, but only earn 10% of the world’s income and own less than 1% of the world’s resources*”. Because of this, microfinance programs target women since they are the most vulnerable in the society. According to Sara (2011), women lack assets, autonomy, self-confidence and status within the household. Thus by providing them with credit, it is one way of transforming their lives. She further asserts that microfinance has the potential to make a significant contribution to gender equality and promote sustainable livelihoods for women.

In addition, Cheston and Kuhn (2002) confirm that, if women access financial security, they would become more assertive in the household and community affairs. This can sometimes translate into empowerment. It is very possible that women’s voices would be heard in families especially when they contribute the biggest percentage of the household income. Like Kabeer (2012) writes, “*women who are empowered will have the power to make life choices that are best for them*”, although most of their decisions will concern the betterment of the family since they mind so much about the expansion of the family for a better life.

On the contrary studies have revealed that targeting women bring microfinance institutions additional costs. This is because most women lack literacy skills, which requires more costs on the side of the financial institutions to organize trainings on the use of loans, as well as constant monitoring. This increases the administrative and operational costs (D’espallier et al (2012). But this may not be a problem to the microfinance institutions since women have a tendency of taking up smaller loans, which they are capable of paying back.

It is worthy noting that women today account for 70% of microfinance customers while 47% of all microfinance institutions target only women (D’espallier *et al*, 2012) Hence

CIDA recognizes that we cannot maximize and sustain development results without putting into consideration the different needs and interests of both women and men (Cheston and Kuhn, 2002, p.7).

2.4 Why do women borrow and how do they spend their incomes? The change in gender responsibilities

The preindustrial societies emphasized childbearing and rearing as central roles for women, besides other tasks like food production and preparation at home. Thus leaving all paid work for men (Inglehart and Norris, 2003, p.29). Such roles kept women away from the formal employment sector thus increasing their poverty levels. Since the 1970s, many women's organizations worldwide have identified credit and savings as a strategy of not only increasing women's incomes, but also bringing women together to address wider gender issues. This is why many microfinance institutions have been targeting millions of poor women in developing countries trying to help them access credit. According to Daley-Harris (2009, as cited by Haile et al, 2012, p.256), women comprise of 83.4% of the poorest clients being served by microfinance institutions in developing countries.

Mayoux (1999, p.959) assumes that sustainable microfinance services will lead to women's economic empowerment by increasing their microenterprise development. Hence raising incomes in the hands of women. Equally in the same way, Cheston and Kuhn (2002,p.7) state that microfinance institutions do play a big role in the donor's development strategies due to their direct relationship to both poverty reduction and women. This is what Lakwo (2006, p.8) describes as "*killing two birds with one stone*". He writes that microfinance can facilitate poverty reduction through improving people's lives, and at the same time lead to women's empowerment. This is because when women access micro-loans, they will be able to engage themselves in micro enterprise which raises market efficiency as well as developing themselves as individuals.

Furthermore, Holvoet (2005, p.76) argues that establishing microfinance services for women is another way of promoting economic, social and political empowerment thereby altering the underlying social and gender relations. Research has proven that investing in

women comes with additional effects. The study conducted by OECD (2012) in Brazil showed that a child's health will always increase by 20% when the household income is in the mother's hands, meaning that increasing women's incomes will come with improvement in the welfare of their family. Cheston and Kuhn, 2002 report a study that was carried out by Women's Entrepreneurship Development Trust Fund in Tanzania and Zanzibar. The results revealed that 55% of the women's increased income was used to purchase household items, 18% goes to school and 15% goes to clothing. Similarly, Thomas (1991 as cited in De Aghion and Morduch, 2005) confirmed that, increasing women's bargaining power in the household was associated with subsequent increase on the household budget spent on health, education, housing among other household necessities.

Conversely, Mayoux questions such expenditures on how they can benefit a woman. She asserts that this increased flow of incomes into the household doesn't ensure that women benefit, or they have succeeded in challenging the existing gender inequalities in the household, but rather it only replicates women's expenditure patterns (Mayoux, 2006). In addition, Kabeer as cited by Swain (2006, p.11) states that the improvement in the child's health is not a measurement of women's empowerment. This is because care of the child falls within a woman's pre-assigned sphere of jurisdiction. It is common that the mother takes care of the child, and this cannot in any way bring about empowerment of the woman. Therefore it is quite hard to determine women's empowerment just by access to loans. This is why a few studies have proved this possibility due to the complexity in defining empowerment, despite the wide research on women empowerment and microfinances. But also this could possibly be due to the concepts that have been used in the different studies to determine and measure empowerment. However Reed (2011, p.1) writes that, "*Microcredit is a tool for unlocking human dreams. But microcredit, by itself, is usually not enough*". This means that there are other factors or even obstacles that need to be addressed in order to unlock the full potentials of women.

2.5. Challenges faced by women borrowers and how they can be minimized

While the number of women accessing credit is steadily increasing, **and proponents** to microfinance are supportive and positive about women empowerment through microfinance (D'Espallier *et al*, 2012; Noreen, 2011; Lakwo, 2006; Mayoux, 1999), **the critics** to this statement argue that credit alone cannot solve the challenges faced by women, if other factors that surround her development as an individual are not tackled. Studies have shown that women face a lot of challenges both in accessing and utilizing their loans. Some of these challenges may be linked to their individual abilities while the others are dependent on the environment in which they live. On individual basis, Oxaal and Baden argued that women must empower themselves first then external support and intervention like that from microfinance institutions follow to foster this process. In other words, development agencies should not claim to empower women (Oxaal & Baden, 1997, p. 6). Below are some of the challenges that women face both in accessing and utilizing loans;

Firstly is lack of information and experience on how to approach lending institutions. Cheston and Kuhn (2002) confirm that, women face disadvantages in accessing information, social networks and other resources they need to succeed in business and life. This could be due to their restricted mobility as defined by society that they have to take care of their homes.

Related to the above is the aspect of culture. The empowerment and dis-empowerment of a woman is largely associated with culture of the society in which she lives. Fletschner and Kenney (2011) wrote that, the socially accepted norms and roles played by women in their families have profound effects on the type of economic activities women engage in, the technologies available to them, the kind of people they must interact with, the places they can visit, and actually the powers they can exert over their own capital. In settings where such norms are strictly observed, they do limit women's mobility, which compromises their ability to access information on credit, trainings, institutions and markets. This in the end affects women's ability and potentials to engage in business. This is Kabeer's concern. According to her, the socio-cultural values and beliefs are very

significant in legitimating inequalities. For this reason therefore, the process of empowerment should then begin with cultural change (Kabeer, 2005). Men in patriarchy societies have always wanted to exercise their powers as the heads of households. Actually some men want to control their wives' income. Those who may accept that women can have separate planning for their income, use it as an excuse not to provide for the household needs and expenses and instead leave the burden to the woman. In such cases some women surrender their loans to their husbands. In their study, Hunt and Kasynathan (2002,p.20) found out that many women have been used as postboxes by their husbands, as they borrow money and pass over the full amount of their loans directly to their husbands with little or no access to the income and profits generated.

Oxaal & Baden (1997, p. 9) confirm that many income generating activities and programs targeting women often increase their workload without any increase in resource control or decision-making power. Goetz and Gupta in 1996 found out that 63% of women loan holders of the three microfinances studied in Bangladesh had exercised limited or no control in loan use. For example in an interview with women groups, it was discovered that 25 members passed on the full amount of their loans directly to their husbands only to receive the amount needed to make their weekly loan repayments. While Rahman (1996 as cited in Swain, 2006, p.12) revealed that 40% to 70% of the women who passed over their loans to their husbands were facing domestic violence due to increased tensions in the household. In such a circumstance, what do microfinances have to do with the empowerment of women?

Noreen (2011) argues that, empowerment is still possible although it depends on a number of factors. In her study with Bahawalpur women, factors like the age, education of the husband, marital status, and inherited assets would determine the empowerment of a woman. However these factors do vary from society to another and cannot therefore be generalized to suit all societies. Alternatively, Kabeer (1998 as cited by Hunt & Kasynathan, 2002, p.21) indicates that the achievement of women empowerment through microfinance should be based on women's role in decision-making about the use of loan, participation in running the business and the use of profits.

Mayoux and Hartl bring in a focal point as Kabeer (2005), which concerns the need for cultural change. According to them, even when women use their loans to set up economic activities, their choice of activity and ability to increase their incomes are largely constrained by gender inequalities. They add that women are the majority savers in most of the rural credit and micro saving schemes, but the biggest loan share is normally given to men even when women have better business ideas compared to those of men (Mayoux and Hartl, 2009, p.11). Maybe creating awareness among men can as well be a solution to the gender inequalities. This is because according to Noreen (2011, p.320), the economic and social status of women can be promoted or withheld by their husbands. Therefore if men are educated about the rights of women, they will give them self-confidence in taking decisions on the household level. They can work together for the betterment of the family other than leaving all the household tasks for the wife, which limits her mobility. If microfinance institutions are to empower women, they should begin with the root causes of their powerlessness (societal institutions) other than dealing with their immediate needs.

2.6. Microfinance sector and its growth in Uganda

Although the country has been ranked among the poorest countries in the world, Carlton et al (2001) describes Uganda as one of the African countries with a vibrant and successful microfinance industry, with a number of microfinance providers surpassing financial sustainability. This boom in microfinances in Uganda was witnessed due to the global financial crisis in the early 1990s that hit the country and led to the closure of many banks and branches that had been highly affected with financial losses. The microfinance industry in the country grew very fast in terms of number and size to bridge the gap that had been left behind by the economic crisis and bank failures in the earlier years; so as to reach financial help to the rural poor that had been excluded from the formal banking sector (Uganda Microfinance Assessment Report, 2008).

In 1997, USAID sponsored a microfinance seminar that opened the eyes of many development practitioners and the government of the possibility of alleviating poverty and achieving women empowerment through microfinance services (Carlton, et al, 2001).

Since then, microfinances have been described as a window of hope for financial help to the urban, peri-urban and rural population of Uganda. Like elsewhere in the world where women dominate microfinances, so is the case with Uganda. According to Seibel & Almeyda, (2002) 60% of microfinance clients are women. Although there seems to be no current report on the state of microfinances in Uganda, UMA Report (2008) shows that the current outreach of microfinance institutions is three million people. Comparing the population growth rate of the country and service outreach, more efforts and expansion of MFIs is still needed in the country to reach the poorest section of the population who have no access to income.

Siebel & Almeyda (2002) reveals that although there has been a boom in the microfinance industry in Uganda, only 6% of the total population has accessed these financial services through microfinances thus leaving out 94%, whilst the market for rural microfinance has left 8.3million rural people unserved. However he concludes that conditions for the expansion are very favorable in the country due to its conducive policy environment, a diversified infrastructure for both formal and semi-formal financial institutions and the close cooperation between government agencies, financial authorities and donors.

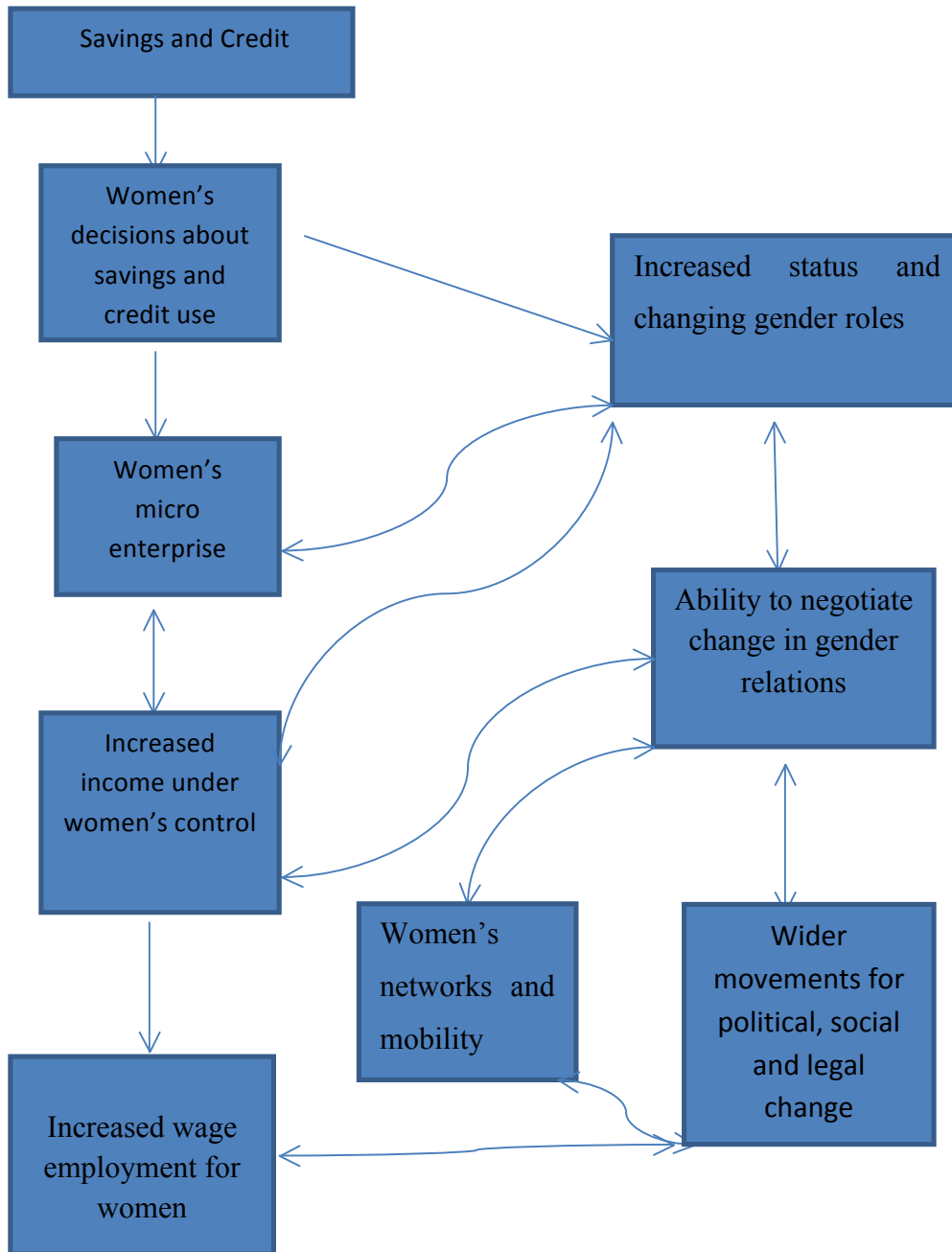
2.7. Theoretical Framework

A number of theories and paradigms have been developed to examine the empowerment of women through microfinance. That is to say; **the financial sustainability paradigm** (which assumes that access to credit and increasing the number of women clients in microfinance sector would automatically lead to poverty alleviation and women's empowerment); the **poverty reduction paradigm** that views microfinance as a means of alleviating household poverty and vulnerability, while targeting women because they are seen as poorer than men and more likely to spend income on the welfare of their families; and **the feminist empowerment paradigm**, developed by Chen (1996) which is based on equity, empowerment and equality embedded in women's human rights (Mayoux,2006).The **feminist empowerment theory** was adopted for this study due to its emphasis on challenging the existing gender relations. In addition, the theory is in line with the objective of the study, which aimed at assessing the extent to which access to

loans led to a change in gender relations/responsibilities at the household level. According to Mayoux (2006), this theory promotes microfinance as a strategy for achieving women's socio-economic and political empowerment through promoting gender awareness in order to challenge gender discrimination. Furthermore, the theory stresses the importance of men's role in challenging gender inequality. This is relevant, as men have taken advantage of the cultural norms to increase women's subordination. It is however assumed that once women take full control on decisions concerning the use of credit, they will be able to earn status and thus can take up roles that they couldn't prior to receiving the loan. Women can stimulate microenterprise development, which will increase income under their control. When women's income is increased, it is assumed that they will be able to bargain for change in gender relations, which may lead to increased wellbeing of the entire household. This change may also widen women's networks and mobility hence transforming their social, political and legal spheres of life. However, this theory is criticized for under looking some other factors that come from within the social structures and are critical in hindering women's empowerment. The socio-cultural norms and values have defined the way women should behave in the community, and this has greatly affected their efforts in trying to achieve their empowerment.

Structure of the feminist empowerment framework: Extracted from Mayoux (2006)

Figure 2: Theoretical framework



Chapter Three: 3.0. Methodology to the Study:

3.1 Research Strategy

A research strategy refers to the orientation to the conduct of social research (Bryman, 2008). Bryman adds that the choice of the research strategy depends on whether the study aims at testing a particular theory or constructing a theory. This thesis therefore employed a qualitative strategy, which dwells on the assumption that a theory is generated after analyzing data. In other words theory is supposed to be an outcome of an investigation rather than something that precedes it (Bryman, 2008, p.370). However, this doesn't mean that qualitative research cannot be employed in testing theories. Some qualitative researchers argue that it can be employed to test theories that are specified in advance of data collection- see Bryman's example of Adler and Adler (1985) in their quest to explore whether participation in athletics in higher education could be associated with higher or lower academic achievement (pp.22).

Qualitative researchers try to understand social phenomena through the eyes of the people being studied (Bryman, 2008). In this case, social research is concerned with the question of whether the social world should be considered as objective entities that have a reality external to social actors, or they should be understood as the social constructions built up from the perceptions of the social actors. This is because for any scientist to gain access to people's common sense thinking, he or she has to interpret their actions and their social world from their point of view. Hence the subject matter of people and their institutions is fundamentally different from that of the natural sciences. Thus the study of social world requires a different research procedure (Bryman, 2008, p.18-19). This thesis was concerned with understanding women's perceptions of their change in gender roles.

Therefore the researcher had to focus on understanding the problem from the respondent's point of view.

3.1.1 Qualitative versus Quantitative

Many writers on methodology argue that quantitative and qualitative research differs with respect to their epistemological and ontological foundations (Bryman, 2008). However, according to Johnson and Onwuegbuzie (2004.p.15), the differences in the epistemological beliefs shouldn't prevent a qualitative researcher from utilizing data collection methods associated with quantitative research and vice versa. This is because both orientations come along with their advantages and disadvantages, which can be used to complement each other. Although qualitative researchers have been criticized of dwelling too much in the community settings of the people being studied, as it may bring about biases in the way data is interpreted, it looked more fitting to this particular study I have conducted. But also I borrowed some few aspects of quantitative research since I had data inform of numbers and percentages, thus presenting and analyzing some of the data quantitatively. Yin (2011) outlines five features of qualitative research that makes it distinctive as compared to quantitative research, and these include;

- *Studying the meaning of people's lives under real world conditions.* People should be left to express themselves freely independent of any research inquiry. In other words, people should say what they want to say and how they perceive it. For example, in regard to this thesis, women were given the opportunity to define their empowerment as concerns household responsibilities. According to Oxaal and Baden (1997, p.19), empowerment is a multifaceted concept that is hardly quantifiable. This therefore means that it is women alone who can tell how they perceive their empowerment
- *Representing the views and perspectives of the people in a study.* The events and ideas emerging from qualitative research can represent the meanings given to real life events by people who live them, other than the values or preconceptions held by the researcher. According to Bryman (2008), qualitative researchers believe that the social world must be understood from the views of the people being studied

rather than seeing them as incapable of reflecting on their social world. This means that, the ideas (as discussed in chapter five) are respondents 'views.

- *Covering the contextual conditions within which people live.* Such conditions may in many ways influence human events, such as the way in which people behave or interact with others.
- *Contributing insights into existing or emerging concepts that may help to explain human social behavior.*
- *Striving to use multiple sources of evidence rather than relying on a single source alone. This thesis employed four sources. That is to say, the semi-structured interview, focus group discussion, observation and documentary.*

In addition to Yin's observations, qualitative strategy involves face-to-face interactions with the respondents. This helps in interpreting the body language actions that may have been missed only through words. Lofland and Lofland (1995, as cited in Bryman, 2008, p.385) argue that this face-to-face interaction enhances participation in the mind of another human being, which enables the researcher to acquire social knowledge. Such interactions may not be achieved when using quantitative research due to its emphasis on social reality as being externally generated.

3.2 Research Design: Case study

Bryman (2008, p.31) defines a research design as a framework for the collection and analysis of data. A case study was chosen for this particular study. It involved in-depth interactions with women who have received loans from UGAFODE in Ddwaniro sub county of Rakai district. Like Bryman (2008, p.55) states that, a case is a focus of interest in its own right, and thus cannot be a sample that can be used to represent certain class of objects. Likewise the findings to this study cannot be used to represent and or inform the benefits of loans among women in other districts, or even sub counties within Rakai district. This is because women in other districts might be having different experiences with loans, and from different financial institutions other than UGAFODE.

3.3 Data Collection Methods

Every researcher needs to have methods to enable him or her collect the desired data. And these should be appropriate and capable of generating data that will address the research questions. However, the methods should be designed in line with the research strategy and the design adopted. This study employed semi-structured interviews, focus group discussions, observation and documentary review. The methods are explained below in detail.

3.3.1 Semi Structured Interviews/ Qualitative Interviewing

Kajornboon (n.d) defines interviews as a systematic way of talking and listening to people and a way of collecting data from individuals through conversations. Semi-structured interviews were conducted to obtain a better understanding of the relationship between access to loans by women and a change in gender responsibilities. Despite the fact that it has been criticized for being time consuming, Bryman (2008) states that qualitative interviewing gives insight into what the respondent sees as relevant and important. This is what differentiates qualitative researchers from the quantitative as qualitative researchers want to understand the social phenomena from the respondent's point of view. The use of semi-structured interviews helped me to have room to clarify, explain or rephrase statements that sounded unfamiliar to the respondents. This is what Bryman (2008) calls flexibility in interviews, which also on the other hand gave the researcher an opportunity to probe for more information especially when respondents gave short answers. All together 30 interviews were conducted-consisting of five staff from UGAFODE (of which the four were loan officers and the area manager), while the 25 were women borrowers.

However, it was quite hard for the researcher to take note of all that had been said by the respondent during the interviews, since most of these respondents were business women, who would have customers during the interview session, thus causing interview distractions. Yet Bryman (2008, p.451) writes that "*qualitative researchers are frequently interested not just what people say but also in the way they say it*". Thus a need for recording. With the "**respondent's consent**" I used my mobile phone to record interviews,

which I transcribed on a daily basis into writing. According to Yin (2011) recording helps to improve the completeness and accuracy of the initial notes taken during the actual fieldwork, thus enhancing the dependability of the information collected. Recording helped me in minimizing biases, which can occur due to misinterpretations of the respondent's answers.

3.3.2 Focus Group Discussions

Bryman (2008, p.474) defines a focus group as a form of group interview in which there are several participants discussing on a particular defined topic. Focus group discussions offers an opportunity of allowing people to probe each other's' reasons for holding a certain view (Bryman, 2008). According to Yin (2011, p.141), the groups are focused because of gathering individuals who might have some common experience or presumably share some common views. A focus group guide was developed by the researcher to help keep on track, and also guide on which questions to be asked. Since UGAFODE gives out loans to women in groups, this formed the basis of the researcher's focus group. Unlike the individual interviews that consisted of women borrowers only, the focus group was mixed of men and women. This made it more interesting and suitable in exploring the issues concerning loan access with UGAFODE. In addition, the confidence expressed by women in the focus group discussion enabled the researcher to get rich information about the topic. This kind of confidence was lacking in some women during the individual interviews. They were shy and not willing to express themselves freely, perhaps fearing that I would take the information back to the authority.

This discussion enabled insights into the many challenges both women and men are facing in accessing and utilizing loans from UGAFODE. It was therefore the responsibility of the researcher to give room and space to the participants to express themselves freely without any interruption, and a new question could be brought up only when they had no more views on the previous question. This is in line with Bryman's statement that, the aim of the focus group is to get at the perspectives of those being studied (2008, p.480). This doesn't mean that the researcher had to leave the discussion to go on even when the respondents went off topic. It was the researcher's responsibility to refocus the

participant's attention. However, this group was not exceptional of some characters that always wanted to over talk at the expense of others. But the researcher managed to politely control the over talkative persons without hurting them and or influencing the group. This was done to enhance the participation of the silent and shy members.

3.3.3 Observation:

This method had not been considered before going to the field, but after reaching in the field, it became more compelling to the researcher to observe what women had considered as benefits from access to loans. According to Yin (2011,p.143), observing can be an invaluable method of data collection *“because what you see with your own eyes and perceive with your own senses is not filtered by what others might have reported to you or the author of some document might have seen”*. This makes observations a form of primary data. Yin further gave categories of items that can be observed which included;

- The characteristics of an individual such as their dressing, gestures, nonverbal behaviors and others
- The interactions between or among people
- The actions taking place whether human or mechanical and
- Lastly the physical surroundings including visual and audio cues. This also may include objects associated with a specified person or that person's organization, and in many cases such props may serve as a point of departure in starting a qualitative interview (Yin, 2011, p.145).

Observation helped so much in enabling the researcher understand and interpret findings from the interviews. The researcher observed and took some photos of women who had started and or expanded their businesses through the loan they had got from UGAFODE. At least this acted as evidence on how women spent their money/ income, which was one of the research questions.

3.3.4 Documentary Review

Bryman (2008, p.522) writes that documents deriving from private sources like companies are likely to be authentic and meaningful in the sense that they are clear and comprehensive to the researcher. Document reviewing helps the researcher in clarifying details such as some concepts and or even titles such that you don't need to interrupt the interviewees to verify such information (Yin, 2011, p.149). The researcher got a chance to read through the annual and field reports, as well as the previous minutes from UGAFODE concerning the branch performance. This helped in clarifying some issues that had been either over emphasized by respondents or not said during the interviews and the focus group discussion. The aim of reviewing the documents of the institution was to obtain knowledge about the products and services offered by the institution before and after going to the field. Although time allocated to me by the organization offices was limited, I presume that the few reports that I managed to review gave me a clear insight on how the organization works, its products and target customers. The existing literature about microfinance institutions and women empowerment was also instrumental in guiding the researcher reach conclusions on this study.

3.4 Sampling and Target group

Bryman (2008, p.441-451) asserts that purposive sampling is the most commonly applied sampling technique in qualitative research. This is because respondents or units are selected according to their relevance of the topic being studied. Thus the researcher had to interview women who had borrowed money from UGAFODE, but residents of Ddwaniro Subcounty-Rakai district. However, it was hard for me to trace the intended respondents to the study since I didn't know them and their locations, and thus use of snowball sampling-technique. This involves making initial contact with a small group of people who then help in establishing contacts with others (Bryman, 2008, p.184). Snowball was employed amongst the field officers of UGAFODE who then introduced the researcher to their customers within the area of study as already defined-Ddwaniro Sub County. On the basis of this, the researcher obtained an overview of the different villages within the sub county and the types of products provided to the customers there.

Although the initial plan to the research was to interview women within Ddwaniro sub county, it became quite harder for the researcher to get a reasonable number of women customers as had planned earlier, since the number of borrowers in the sub county had reduced. Hence had to employ convenient sampling strategy amongst women borrowers who had brought their installment to the bank offices, simply because they were easy to access and also willing to share their views. On the other hand, the staffs of UGAFODE were of paramount to the study. Their views were very useful in reaching conclusions on how women's roles have changed as a result of access to loans. Besides the inconveniences in accessing the respondents, the researcher managed to interview 30 respondents as well as facilitate one focus group discussion - with eight participants. Worth to note is that, the researcher got a chance to interview the women's representative Kyotera County who also happened to be a customer to UGAFODE microfinance. Her views were very crucial in reaching conclusions on the status of women in her county within which Ddwaniro is a sub county.

Table 2:Participants' breakdown

Respondents	Number of participants
Women respondents within and Outside Ddwaniro sub county	25
Staff/ Loan officers at the branch	5
One Focus group discussion	8

3.5 Data Analysis

For any data collected to be useful in improving programs, solving problems or even explaining what happened, such data must be turned into results (LeCompet, 2000). Qualitative research collects large amounts of data, which may be in different pieces that need to be brought together to provide a good picture of what the researcher intended to

find out. Bryman (2008, p.540-560) describes most of the appropriate approaches used in analyzing qualitative data. These include grounded theory, thematic analysis, narrative analysis, critical discourse and qualitative content analysis. Thematic analysis was used in the analysis of the data collected in this study. Bryman argues that thematic analysis does not have distinctive cluster of techniques from other methods of data analysis, since the use of themes has been applied in most approaches to qualitative data analysis. He adds that although most people are used to coding, to some writers a theme is more or less the same as a code (Bryman, 2008, p.554).

Thematic analysis is a product of thorough reading and re-reading of the transcripts or field notes, from which the researcher constructs themes and sub-themes emerging from the questions. The themes and sub-themes are as a result of the repeated statements by the respondents in the text, which are later applied to the data (Bryman, 2008, p.554). Howitt and Cramer (2008) emphasize that it is normally advisable for the researcher to collect data him or herself so as to produce an insightful thematic analysis. This is because data familiarization is a key to thematic analysis as it is for other qualitative data analysis methods.

Since qualitative data collects a huge amount of data, I made sure that I sort each piece of data collected on either daily or weekly basis. Later alone, the data was categorized according to the themes, which had been generated from the research questions. In addition, the recorded interviews were also transcribed on a daily basis to avoid accumulation of notes, and also mixing up of respondents' voices, since it is always very important to understand who said what and when. This made it easier to connect data with the literature while presenting the findings. On the other hand, I also employed use of simple quantitative research, in determining the numbers and percentages of the participants.

3.6 Ethical Considerations to the Study

Bryman (2008, p.113) state that researchers cannot do away with ethical issues as they directly affect the integrity of the results as well as that of the disciplines involved. This

helped the researcher to overcome certain problems that could probably arise between her and research participants during the interviews.

Seeking the respondent's consent on whether to participate in the study is very important. It's the participant's right to know the benefits of his or her participation in a certain study. Although it may be quite hard to avail all the needed information to the participants, it would be nice if the researcher avails certain information he or she feels important to the participants. According to the Social Research Association guideline to ethical considerations in research, subjects should not be treated with the impression that they are required to participate. *They should be aware of their entitlement to refuse at any stage for whatever reason and to withdraw data just supplied.* Thus participation in the study should be based on the freely given informed consent of those being studied (Bryman, 2008, p.121).

During the interviews, the researcher had to first introduce her self, what the topic was all about and the reasons for the research. I always introduced my self as student, and openly had to inform clients that this research may not necessarily be a solution to their problems, but rather it was to be used for academic purposes. I did this to avoid raising the expectations of the participants in away that I had come to solve their problems. However, some times it was a bit challenging on my side, as the loan officers could introduce me as part of their team from head office, who needed to listen to their views. This is because whenever people have a loan and see some one new with the organization's staff, they get scared and actually some of them could first run away, thinking that they had taken me to imprison them.

Since the interview was private (between me and the interviewee), I had to reintroduce my self as an independent person (not a staff of UGAFODE). This gave room to my respondents to be free as much as they could, since the presence of the loan officer could threaten them to talk about their challenges. Of course some of them who had got worst experiences with the organization could plead to be helped even when they knew that I couldn't be of great help—In fact one of the respondents asked me in the local language “*maama tuyambe otuuse ensonga zaffe eri bekikwatako kubanga UGAFODE ebadde*

tetuyisiza bulungi”, literally meaning that auntie (referring to the researcher) help us and reach our views to the parties concerned as UGAFODE has not treated us as customers.

With reference to the topic under study that seeks to understand the role of microfinances towards the changing gender responsibilities, it was quite challenging to get all the needed information from the women. This is because some women were afraid of loosing their loan support from UGAFODE. In fact at times refused to answer some questions with a view that such questions were intruding in their private realms, which they didn’t want to make public. This is when the principle of confidentiality comes in, to protect their privacy (Bryman, 2008, 123). Maintaining privacy was a great concern amongst women in Ddwaniro Sub County. For example whenever the researcher ended the interview, a respondent would request her not to inform the officials her name, as they may not give her another loan. To confirm this to the respondents, the researcher made sure that the notebook didn’t include their names, even when some of them wanted to be disclosed. But for the purpose of recalling who said what, the researcher labeled the question and answer sheet with digits or letters to identify a particular respondent. This was done throughout all interviews.

3.7 Challenges and Limitations to the Study

It is of no doubt that this study faced some challenges and these some times constrained the researcher’s work plan;

First and foremost was the nature of respondents who were mostly farmers and business people. Their availability and attention was always limited while carrying out the interviews. For those respondents who I used to meet at their workplaces, they were not willing to get a separate place other than interviewing them in their shops. So on many occasions as customers came in, I had to pause the interview and proceed there after. This could prolong the interview as well as affecting the researcher’s plans /targets.

Furthermore, I experienced false expectations on the side of the respondents. This is because whenever people hear of some one conducting a study, they see him or her as relief agent, to help them overcome their problems. In fact whenever I would finish up

with the interview, respondents would plead to help them take their views to the concerned parties. To make matters worse, some of those I had interviewed could find me at the offices and ask me whether I had informed the managers. In order to minimize this, I made sure that I make it clear to the respondents that I was only a student conducting research, and that couldn't help much in responding to their problems.

I also experienced difficulties with transportation to the field Vis-à-vis field officers' plans. This was quite challenging in a way that the researcher only could go to the field when the field officer had plans to. So this meant that even when it takes a full week for the field officer to go to the field, this was so also for the researcher. The situation became worse when I had to move longer distances to get access to the customers. However, with this tight schedule, I made sure that I could utilize the opportunity given to me to go to the field, and conduct as many interviews as I could.

Also it was quite hard to examine the impact of the loan from UGAFODE. This is because some respondents were multiple borrowers, whose income would be attributed to more than one or two financial institutions. This made it hard for the researcher to assess the change in gender responsibilities as a result of loans from UGAFODE. However, the researcher tried to minimize this effect with a question on whether the respondent had borrowed in any other financial institution other than UGAFODE. If it happened to be that the respondent was a multiple borrower, then specific concern was given to what the respondent had used with the loan she got from UGAFODE.

Lack of gender segregation of the data. The organization doesn't separate the data of its customers according to their gender. This made it hard for the researcher to evaluate the level of loan uptake by women in the area of study. In one-way or the other it had an effect on the research questions, although not on the entire project.

Considering the fact that the researcher carried out the study in a different county other than her home county, there were some financial costs to be incurred. The researcher had to rent a house in the near by centre closest to Ddwaniro since it would be quite stressing for me to travel each and every day from home.

Lastly, the nature of qualitative research tends to yield huge sets of data. This of course made it harder to begin the process of analysis, especially during transcribing as the process was a bit constraining. Miles (1979, as cited by Bryman, 2008, p.538) has described qualitative data as “*an ‘attractive nuisance’ because of the attractiveness of its richness but the difficulty of finding analytic paths through that richness*”.

Chapter Four: UGAFODE Systems, Management and Challenges

4.1 About UGAFODE

This study centered specifically on women that have received loans from Uganda Agency for Development Limited (UGAFODE), in Ddwaniiro sub county-Rakai district. UGAFODE is a recognized microfinance institution in Uganda which aims at providing financial assistance to mostly rural people to enable them improve their wellbeing. This financial institution was established as an NGO in 1994. Later in 2010, it was incorporated as a limited company in preparation of turning it into a microfinance institution. It is now a regulated financial institution and licensed by the Central Bank of Uganda with twelve branches across the country. UGAFODE aims at providing economic, social and holistic transformation to its customers through provision of quality microfinance services that helps them to improve household income. Among the loan services offered include; Asset Acquisition Loan, Agricultural Loan, Flexible Housing Loan (FHL), Micro Business Loans (MBL) to mention but a few (MDI, 2013). However agricultural loans seem to be dominant in Rakai district as most of the people engage in agriculture. Important to note is that UGAFODE doesn't give loans to individuals who want to start up business (starters) but rather to those individuals who have been with or in business for the past six months. Their role in such a case is to support the customer.

4.2 UGAFODE Clients:

UGAFODE was established with the major objective of providing financial services to the economically active Ugandans in rural, peri-urban and urban areas, who could not access working capital finance from the formal financial institutions due to lack of collateral. The institution does not only provide micro loans to the rural poor, but has diversified its operations into the commercial sector. This has been necessitated by the fact that UGAFODE does not only need to consolidate its position in the microfinance industry and increase its market share, but also has to diversify its credit risk, which is an important variable in the sustainability of any financial institution (UGAFODE, 2010).

The poorest of the entrepreneurial poor are the main target group for UGAFODE. The institution is committed to work with the lowest level of the entrepreneurial poor to help them develop and maintain a steady income that will allow them a higher quality of life.. It serves economically active poor organized into Trust Group (a solidarity group-based methodology) and individuals with small business enterprises already in existence as well low income-earning employees. The loans are open to both men and women with at least 60% being women.

However the percentage of women has reduced especially in Rakai where the study was conducted. The area manager informed the researcher that, the decrease came about due to the market demands and dynamics where by women's loan returns were going down each and every day, high default rates, and also basing on the fact that a few women own securities. Apparently men consist of the biggest number of individual borrowers with 30 to 40% of women borrowers who basically take up these loans in groups. This happens because the biggest numbers of rural women who want to get a loan, lack securities, and therefore are advised to join groups such that they are jointly responsible for one another's repayment.

4.3 UGAFODE Service Delivery Mechanisms

UGAFODE uses various methods of delivering credit services to its target clients. Below are the different methods, as extracted from the Operations and procedures manual (2004);

The trust group methodology: Under this mechanism, loans are given to individuals who are formed into self-selected groups. The basis of the group is trust where by individuals have to trust one another such that they can act as guarantors for each other. The aim for such groups is to extend loan services to the economically poor but active women who may lack security to get a loan, but may be having the capacity to pay back through income returns from their economic activities. This method is done in such away that each member of the group co-signs to guarantee the other. However the loan terms of the members are the same and there is no one who is favored against the others. During recovery in this kind of lending, peer pressure is used where by the group members

themselves have to pressurize the borrower to pay since in case of failure, it's the other group members who are responsible for the repayment. Trust groups comprise of 10 to 35 members.

The researcher happened to interview individual members who had secured a loan within this methodology of lending. Having spoken to them freely they were able to tell all their experiences in borrowing within groups and the challenges. According to them, they were grateful to UGAFODE that they were able to access loans even without collateral. However this is also stressing as some members run away and put the burden on fellow members. Many of them wished that if they had securities, they would have resorted to individual borrowing since group lending is not convenient as it sounds to be. Actually it's associated with more losses compared to individual lending. Trust group loans are paid in equal weekly, fortnight or monthly installments of principal and interest over the term.

The Solidarity Group Methodology: This methodology is more or less the same as the trust group. The only difference is that members within this method are smaller in number, as it comprises of 3-9 members. According to UGAFODE (2010), this group comprises of two categories. The first one being the one comprising of all members who are the former members of the trust group methodology, but have successfully completed at least three loan cycles, and have received an advanced rating in each case. The second type of the solidarity group is that comprised of new entrants. With this type of solidarity group the initial loan amounts are smaller and the members are between 5 to 9. However through interactions with the credit supervisor, the researcher found out that this group methodology no longer exists as it lost track.

The individual Lending: As it sounds, loans are extended to individuals with identified business enterprises. Unlike the group methodologies where individuals can take loans without collateral, under this method of borrowing, collaterals are required to secure the loans. Businesses are appraised in depth and cash flows are analyzed and used to determine the viability of the business and ability to repay the loan.

The salary Earner loans: These loans are designed to meet the needs of people who cannot be reached with the other categories of working capital loans because of the nature of the employment. Under this category, the customer must have a stable source of income from a recognized institution. One of the requirements about this type of loan is the fact that the customer's salary must be passing through UGAFODE, in other words; he or she must have a salary account with the institution for easy follow-up. Salary loans are repaid in equal monthly installments of principal and interest over the loan term.

Staff loans: In order for the organization to facilitate, motivate and create incentives for its employees, and also enable them comfortably meet some of their pressing needs, it decided to give out loans to its staff. According to the organization, this loan enables the staff to devote most of their time to the organization's work, which will in turn lead to the improved performance. This loan is given to them at a lower interest rate as compared to the normal loans given to the customers.

4.4 Types of Business Activities Supported

Cited and retrieved from the credit policies and procedures manual (2010)

Trade and Commerce: It includes all businesses involved in buying and selling of goods and services from one market to another. Such businesses include wholesale or retail of general merchandise for example cooking oil, sugar, textiles and garments, shoes and pharmaceuticals products, hard ware and building materials, non-alcoholic beverages (for both distributors and agents), petrol stations (fuel/lubricants), spare parts.

Agriculture, Animal husbandry/ Industry, fisheries, Forestry and Crop finance. This involves crop production, purchase of seeds, purchase of tractors, farm equipment etc.; production of both traditional and non-traditional exports i.e. purchase of coffee, cotton, beans, maize, for local and export markets. Also fish farming and animal production, fattening and diary production are supported.

Service: This includes all businesses involved in the trading of intangible goods /products such as restaurants/eating, houses, hair saloons, barbers, cobblers, tailors, schools sewing machines among others.

Food processing: Grain milling, baking

Manufacturing: It includes financing of working capital investments for industrial manufacturing, processing plants; provision of working capital requirement for plants, factories, manufacturers, mining and quarrying, especially purchase of raw materials and spares, welding, metal fabrication, tailoring, shoe making, brick making.

Transport and Communications: This includes all businesses involved in the provision of transport services of cargo and passengers on land, sea and air and provision of telecommunications. Purchase of motor vehicles, buses and lorries for rental hire, minibuses (taxes) plus any other vehicles/trucks for commercial purposes.

Building and Construction: It includes business involved in the provision of construction services and real estate development such as investments in completion of commercial premises, financing for contractors/ construction firms undertaking small to medium construction projects.

5.5 Criteria for Identifying Customers

Capital: Like any other microfinance institutions, capital is one of the essential requirements for customers to take up loans. Capital is measured in terms of business. A client should have an ongoing business worth the amount of loan she or he is asking for. This means that one cannot ask for 10million when the business capital is 9 million, since the business is subjective to failing at any time. The bank also looks at the other sources of income of the customers, just in case the business can no longer support the loan.

Collateral: This is needed especially for individual borrowers, as it secures the money just in case the client fails to pay back. The security should cover 150% of the loan. For example if a customer is mortgaging land as security, it's looked at in terms of the market

value and forced value. The market value is the current price of the security, while the forced value is the price of the security when sold at urgency. The bank normally considers the forced value since at anytime the customer may fail to raise the money.

Capacity: How capable is the client to pay back the loan. Capability is measured in terms of the security presented, loan history of the customer with other banks or this particular institution, how much is the customer willing to pay as installment. It can also be measured by looking at the business income subtract the family and business expenditures, the surplus derives the capacity a customer can have to pay back the loan in relation to the amount of money requested. Also the institution could look at how the business is stocked-such as the prices of the items.

Character: This depends much on the willingness of the customer to pay back the loan. It can be noticed during loan appraisals and or field visits. The consistency of the customer in answering the questions can tell his or her character, and thus inform the bank whether the customer can be entrusted with the money. Character can also be detected through the customer behavior, and this can be traced by inquiring from the local leaders and also community members. However it is very hard to determine character as most people change. They seem to be so nice during the loan appraisals, as they are targeting the loan but after getting the money, they become harsh to the bank (Credit Administrator, Kyotera).

Condition: This concerns the security, customer and the institution. Condition measures different issues. Firstly it considers the health of the customer. That is to say a customer who has been chronically diagnosed with a disease may not be fit for a loan, even when that person has a security. Secondly is the ease or accessibility of the business from the organization. The same applies to the security, in case the customer fails to repay the loan, how possible it is for the institution to access that security. For example you find that some land titles have encumbrances, as a customer might have got a loan in some other bank.

4.6 Challenges faced by UGAFODE in extending credit to the rural poor

Like any other financial institution, UGAFODE too faces some challenges in trying to extend credit to the poor, especially women. Below are some of the issues that were raised by the Loan officers in Kyotera branch;

Loan diversion: The fact that women take up loans doesn't confirm that they use loan for the intended purposes. Women have gone ahead to divert loans and use them for the purposes that were not meant to. This is caused by many factors but most significantly the increased number of dependants. Due to the high prevalent rate of HIV/AIDs in the district, it has left many female-headed families with a big number of dependants. In this case you find that a woman takes up an agricultural loan, but instead diverts it into providing household necessities as well as paying school fees for the children. This affects the loan returns since the loan was invested in activities that couldn't yield profits. Thus increasing the portfolio at risk (PAR) of the branch resulting into poor performance.

Increased number of defaulters: Related to the above is the increased number of defaulters, which has greatly affected the performance of the branch. Defaulting is as a result of multiple factors. To some customers it's due to business failure -as they borrow money with an assumption that the business will stand forever but it collapses possibly due to increased debts; Others it is caused by prolonged sicknesses-as the loan installment is instead diverted to treatment; lack of support from partners especially by women borrowers who lack support from their male counterparts; sell of security without informing the bank among others.

Competition from other financial partners: Today's world is full of competition as firms are strategizing to find out the most convenient ways of reaching the products to their customers. This positions many institutions in a dilemma, as they have to strive harder to manage the pace of competition. Although this could be seen as away of improving efficiency of the organization, it sometimes pressurizes the staff and have to work under stress.

Long distances visa-avis weather vagaries: This cuts across the customer and the institution as well. Considering the target group of UGAFODE, these are people who stay in far distant areas. This means that the transport costs of the institution during appraisal, field visits and monitoring will have to double. In the end, the burden is extended to the customer by charging them a certain amount of money to cater for the transport of the officers. On the other hand, staffs have to work at any time. So this means that whether it shines beyond containment or rains, field officers will always have to go the field.

Besides the above challenges, there is still need for the organization to improve its relationship with its customers. The findings revealed that harmony between the two parties is still lacking. UGAFODE needs to understand its customers not only during appraisals but also making occasional visits to check on the customer's performance would be of paramount. According to the loan officers, a get-together would be nice in helping the organization get to know more about the customers. Such feedback is very important in designing products that suit customer needs. Also revising the marketing strategies could be another way through which the organization could win more customers. Staff gave examples of printing t-shirts and calendars, which can be given to the best performing customers per year. In the end, every institution works towards wining more and maintaining its customers.

CHAPTER FIVE: DISCUSSION OF FINDINGS

The main purpose of this chapter is to discuss and present the findings, which emerged as the main themes for analysis. These findings are views and ideas of thirty-eight respondents as categorized in the sample frame. However the relevant literature as discussed in the literature review section will also be drawn upon in the conclusions of whether access to loans would lead to a change in the responsibilities of a woman within a household.

5.1 The Demographic Characteristics of the Respondents:

By design, this study was entirely based on women. The demographic characteristics that mattered in this study included, age, marital status, educational background and religious sect

5.1.1 Respondents Distribution by Age

Table 3: Respondents Distribution by Age

Age category	Frequency	Percentage
20 years and below	-	-
20-25	01	4%
26-30	05	20%
31-35	01	4%
36-40	05	20%
41+	13	52%
Total	25	100%

By customer design, UGAFODE gives out loans to women and men of 18 years and above, as long as they qualify as per the policies and procedures. The above table shows that women aged forty years and above borrowed more as compared to the other age groups. In reality one would expect to see younger women taking up loans than the older, since they are still energetic and could easily engage in sound businesses. But this was not the case with women interviewed in this particular study. However, this age difference with regard to borrowing may be due to many factors. It could be that as women grow older, they become more responsible and would want to save for their children and thus

need more money to invest in different ventures. But also this could be as a result of the lower life expectancy in Uganda at 54% (Central Intelligence Agency, 2014), which makes people worried of dying at early ages, and therefore have to work hard. On the other hand, this might also have a connection with the marital status. This is because during the interviews, it was discovered that the biggest number of women in the age group of forty (40+) had separated with their husbands, and therefore needed to look for financial avenues to take care of their families. But this does not make the researcher draw conclusions that as women become older; they separate with their husbands. Reasons for separation are of course manifold and were outside the researcher’s scope and this could have lead the researcher entering into respondent’s privacy.

5.1.2 Respondents distribution by their marital status

Table 4: Respondents distribution by their marital status

Marital status	Frequency	Percentage
Single	01	4%
Married	15	60%
Widowed	01	4%
Divorced/Separated	08	32%
Total	25	100%

The table indicates that the married women borrowed more as compared to the other categories. With my experience, the societal beliefs in most of the societies in Uganda demand men to be the caretakers of the families. That is to say, men have to provide all the basic needs of the family, take children to school among other household needs. While women are expected to stay home and take full responsibility of the household chores. However during the interviews, such division of roles and responsibilities seem no longer to be the case, especially when men realize that a woman has got income. In fact one of the respondents was quoted saying; *“I am married but my husband is like an image whose burden I have to carry. He has never provided any household necessity. This forced me to get a loan and work hard to see how I could manage my family”* (Interview, January, 2014).

5.1.3 Respondents Distribution by their Religion

Table 5: Respondents Distribution by their Religion

Religious Sect	Frequency	Percentage
Catholic	11	44%
Seventh Day Adventist (SDA)	00	00
Muslim	03	12%
Protestant	10	40%
Born Again	01	4%
Total	25	100%

The main reason as to why the researcher included the religious sect of the respondents was based on the fact that UGAFODE started as a Christian organization, with the aim of supporting the community through capacity building, training and seminars on HIV among other objectives. The researcher's motive was therefore to see whether there was any kind of segregation based on religious belief of the customer. However, this was not the case, though some respondents had to join UGAFODE in its early stages in Kyotera, because of the Christian values. When one of the respondents was asked why she was motivated to take up a loan from UGAFODE, she gave an example of the Christian brothers and sisters (UGAFODE staff) who impressed her with the way they used to behave. This in relation to other factors motivated her to take up a loan.

5.1.4 Respondent's distribution by their educational level

Table 6: Respondent's distribution by their educational level

Educational level	Frequency	Percentage
Primary	11	44%
Secondary	08	32%
Tertiary Education	04	16%
Degree Holder	-	00
Vocational or Technical	-	00
Don't Know	-	00
Never Attended School	02	8%
Total	25	100%

The table shows that the highest percentage of the respondents had either completed primary education or had achieved the basics in primary education. The level of education of the respondent didn't have any relationship with access to loans. Possibly the only challenge was that the less educated could face some problems in trying to interpret and understand the concepts of banking which was not the case with the highly educated. During the interviews, the researcher found out that some respondents especially those with lower education levels, were still struggling with understanding the different charges that they had been charged. However this couldn't in any way affect the way they were supposed to invest the money.

5.2 Why women borrow and how they spend their loans:

Fletschner and Kenney (2011) revealed that women comprise half of the labour force while they are not always counted. They contribute to the national agricultural output and family food security yet they are more likely to be credit constrained than men. Therefore by providing them with access to finance, they are able to start up income generating activities, thus reducing their vulnerability to poverty. This allows women to become more assertive in both household and community affairs (Cheston and Kuhn, 2002). Several studies have indicated that if women get access to income/credit, they spend the biggest percentages of their income on children's education, health and clothing including other family needs (Cheston and Kuhn, 2002; Noreen, 2011; OECD, 2012). However this happens only if women have full control of the incomes. But in circumstances where men take advantage of women's loans/ income, there are fewer chances of determining women's achievement. It was therefore interesting to listen to women especially in the remote areas of Uganda where the study was conducted. The responses from the different women interviewed showed that they had several reasons as to why they borrowed money from UGAFODE. Below are some of the views that were commonly raised by almost all women interviewed;

- To pay school fees for their children.
- To provide for the household necessities.
- To expand and or start a new business.

- Some women wanted to own assets

5.2.1 To pay school fees for children

Much as the government of Uganda established the Universal primary and secondary education programmes to enable children get access to free education, it is still challenging for some children to go to school. There are quite a number of factors behind this especially in the rural areas of Uganda. To some parents, what seems to be free education is not free in reality, reason being that there are other costs such as scholastic materials which include uniforms, books, examination fees and the like, that parents have to meet for their children to study in the government schools. This is indeed constraining for the most of the rural Ugandans who are still struggling to meet the basic needs of life. Therefore for those parents who cannot raise the money needed to support their children even in the free schools, they opt for borrowing. While those who could afford buying the needed requirements to take their children to the government schools, are not satisfied with the performance of children in these schools.

According to the research conducted by Kagoda (2012), in trying to assess the quality of education in government aided schools, she found out that, there is in general academic weakness among the teachers in such schools, and this automatically affects the children performance. Like a saying goes...”garbage in, is garbage out”. Thus teachers with inadequate skills will produce students with poor skills. This in the end affects the competition of students for higher education. In order to give the best to their children, parents decided to borrow to at least take their children in private schools to enable them have quality education. With other many reasons, borrowing to pay school fees for children was a common point as to why women are motivated to take up loans. One of the respondents had to say this;

“UGAFODE is my husband, father and mother. It has enabled me pay school fees for my children. I don’t know whether my children would have gone to school if it wasn’t for UGAFODE” (Interview, January, 2014).

The above respondent had lost her husband some time back, and didn't have any other support either from relatives or even friends. She therefore decided to borrow a school fees loan from UGAFODE to pay school fees for her children. While a widow raised this response, it became appealing to the researcher to ask the married women as to why they had to borrow money for school fees besides their husbands who are working. I assumed that if the husband is working, he is able to provide for the family including taking the children to school. When the researcher tried to ask one of the married respondent, she exclaimed in a local language;

Hmmmm, auntie (referring to the researcher), omusajja kasita business ye etambula, ebya baana tafaayo. Akanya kubuuzza oba bagenze kussomero kuba akimanyi amasomero ga gavument wegali. Kait gwe nga omukyala bwoba oyagala omwana wo abeere bulungi, olina okuyiyya nomutwala mu massomero amalungi” (Interview, Januray, 2014).

Literally meaning that, for a man's concern is to see his business moving on, and he doesn't mind whether children have gone to school or not, if there is free government education. Of course as a woman, you have to strive harder and take your children in good schools.

5.2.2 To provide for household necessities

Mayoux and Hartl (2009, p.9) suggested that, channeling credit to households through women enables them to play an active role in decreasing household vulnerability, as women invest much of their incomes in family welfare. This situation benefits children through increased investment in their nutrition, education and health. In this study, women were given a chance to inform the researcher of what they considered to be a necessity of the family. This is because, what one may consider as a necessity, it might be a luxury to the other person. The commonly mentioned needs were food, water, salt, soap, shelter, medication and to some of them sugar. According to the respondents, men are becoming more irresponsible as regards the provision of the household necessities, especially when they realize that a woman has income. One of the respondents was quoted saying;

“Men surprise me some times. You tell him there is no soap and then he backs at you as if you eat soap; he leaves his clothes behind to be washed every weekend. Actually some of them go ahead to ask you whether you don’t work, forgetting that the responsibilities of the family concerns both of us”. (Interview, January 2014).

The responsibility now becomes a woman’s burden that pushes her to borrowing some money to provide for the family needs. This concedes with Cheston and Kuhn’s report on a study that was carried out by Women’s Entrepreneurship Development Trust Fund in Tanzania and Zanzibar. The results revealed that 55% of the women’s increased income was used to purchase household items, 18% goes to school and 15% goes to clothing (Cheston and Kuhn, 2002). In other words, women’s access to income comes with increased budget as regards household expenditures.

5.2.3 To expand the Business

Responsibilities have been traditionally divided among women and men in most of the male dominated societies. That is to say women are responsible for domestic chores including food production, cooking, cleaning, fetching water, and caring for children, while men engage in formal businesses. This has thus restricted women from engaging in business. However it has been assumed that when women have access to loans, they can easily invest their income in sound business, which assumption was proved with this study. Downing (1991, as cited in Mayoux, 1999) confirmed this too in his statement that, support for women entrepreneurs increases their employment thereby tapping the underutilized resource for economic development. Thus expanding business was one of the main reasons behind the women’s motivation to borrow a loan and how they spent their income from this loan.

According to the women respondents, sitting behind and taking care of the household chores, was seen as backward. They said that these days life is about survival for the fittest, and men no longer want to marry women who will only sit at home to wait for their provision, as they are seen as problems to carry on their shoulders. In fact a man will always give you respect depending on the situation he found you. For example,

“if a man met you with your business, he will not treat you the same with the one he met with nothing. Actually a woman’s status within the family is also the cause of domestic violence in most of the families”. (Interview, January, 2014)

The Women I came across in this study had invested their money in different businesses such as buying and selling of bananas, retail shops dealing in general merchandise, buying and selling of coffee, selling charcoal, boutiques among others.

Figure 3:Figure showing businesses women engage in



Above are pictures of some of the businesses that women have managed to invest their income. The researcher didn't manage to take photos of different businesses, as some respondents were skeptical about it.

One of the respondents who wanted to remain strictly anonymous had this to say in trying to express how grateful she was towards UGAFODE;

"Having borrowed a loan from UGAFODE, I bought two cows with an aim of engaging in cattle rearing. My dream didn't come true due to the limited space. I decided to sell them off and reinvested the money into plastic chairs. I bought fifty plastic chairs with an aim of hiring them to people with functions. Currently I have three hundred chairs. These are results of the loan I got from UGAFODE, am indeed grateful to UGAFODE". (Interview, January 2014).

The staff gave more testimonies of different women who have succeeded in different businesses through the loans they got from UGAFODE. Observations made by the researcher, later alone confirmed this.

5.2.4 To own Assets

Unlike women in the past who depended entirely on the man's riches, today women are expanding their incomes through investment in assets. Women are becoming concerned on how much assets they own. Although this was not a common concern among all women respondents met, the few strategic women mentioned it as one of the motivations behind their borrowing.

The respondents informed the researcher that, women nowadays need to be self-reliant, and should own self-sustaining projects in case of separation with the husband. A few women interviewed had borrowed an Asset financing loan from UGAFODE, to enable them build houses for rent, buy motorcycles among others.

Above were the four main reasons as to why women borrowed and how they spent their income. However, below are more reasons given by respondents as to why they were motivated to borrow specifically with UGAFODE;

- The relationship between the customer and the employee. This was emphasized as a good strategy of winning customers into business. Some people make businesses with particular organizations not because they were supposed to, but just because the way they are treated by some staff members is healthy. For example UGAFODE being a Christian oriented organization, based and operating on the principles and values of Christianity, it was a winning factor to some respondents.
- Giving loans to women individuals within a group won many to UGAFODE. According to the respondents I came across, they were able to get loans from this institution even without security, as long as the group members co sign to guarantee each other. This means that, trust amongst members has to be strong, since in case of failure by one member to pay, it becomes the responsibility of the other members.

5.3 The changing gender responsibilities within the household

According to Geotz and Gupta (1995, p.46), increase in women's incomes leads to improved livelihood functions women perform in their households as brokers for good health, nutrition and quality education of the other household members. This study was concerned with assessing the extent to which access to loans leads to a change in gender responsibilities within the household. The reason behind the choice of this study was based on the fact that, in most of the male dominated societies, it is the responsibility of the man to provide for the household needs. The researcher had an assumption that, when a woman gets access to income/loan, she is able to take on the responsibilities that were hitherto the duties of a man in the family. Hence bringing about the change in gender responsibilities.

The findings from both the interviews and focus group discussion revealed that, women are becoming more responsible as far as household needs are concerned as compared to

men. They have been able to take their children to school, pay for the hospital bills as well as building family houses. Actually in some cases, household roles have been divided, where by men have given up on children to be the responsibility of the woman. While interacting with one of my respondents, she made a statement that underlined this point;

“Men don’t really mind so much about children as long as they know that women are at home. Actually when they feed their stomach, they think they have also eaten on behalf of the children. For example when a child tries to tell the father that he or she is hungry, the father will ask her or him where the mother is, meaning that, its the mother responsible for that” (Interview, January, 2014).

The credit officer further emphasized this when he was asked on whether he had witnessed any change in female roles within the household;

“Women have managed to educate their children, pay hospital bills and actually some have gone ahead to repay the loans of their husbands amidst the challenges of polygamous marriages” (Interview, January 2014).

The findings revealed that, women who contributed the biggest percentage of the household necessities were the final decision makers as regards the household expenditures. Although this may be considered as an achievement to some women, it may end up becoming a burden especially when the family has a bigger number of dependants. This is because men may completely give up from providing for the household needs. On the other hand, the researcher found out that, women who contributed the biggest percentage of household income exercised a lot of powers. This may in the end lead to family break-ups; as such women don’t want to listen to their husbands any more. Actually one of the respondents was quoted saying;

“My husband can not force me to do what I don’t want. And since I contribute the biggest percentage of the income in the family, so my decision has to be final” (Interview, January, 2014). In such a situation, the stability of the family is at risk.

Despite the fact that my findings do not inform the achievement of women across the country, I cannot fail to say that if given a chance to access a loan with a supportive husband, women are able to manage household responsibilities without any stress. The only challenge is when men leave the full responsibility to women alone.

5.4 Challenges faced by women in accessing and utilizing the loan

Despite the potential contribution of microfinance to women's empowerment and wellbeing, much is needed to be done to enable women in rural areas to have equal access to financial services and also to benefit from them. For example, the study has showed that women have been able to take on household responsibilities, but it's hard to conclude that they themselves have been empowered. In fact their expenditures have instead replicated rather than countering the gender inequalities within the household. According to Mayoux (2005) women's ability to increase their incomes have been constrained by gender inequalities, increased household expenditures-as men ignore their responsibilities in conjunction with unfavourable market prices. Women expressed different views as regards the challenges they face in both accessing and utilizing the loan. Some of these were beyond their control while the others could be due to personal biases or institutional weaknesses. I have categorized them into two, that is to say; the internal and external challenges.

5.4.1 Internal Limitations/Challenges

The researcher defined the internal challenges as those deriving from the institution its self, and if special attention is given to them, they can easily be addressed. They included; Bureaucracy in processing the loan, high interest rates, lack of collateral, long distances— puts the money at risk and illiteracy.

5.4.1.1 Bureaucracy in Processing the Loan

This was a common concern with the biggest number of respondents. The process involved from the time the customer applies for the loan to the time she or he gets the money on their account is very tiresome if compared to other financial institutions in the

area. According to the respondents, other banks disburse the loan even in two to three days, which is not the case with UGAFODE. Customer files are delayed without being worked on and or informing customers on the progress. This constrains the customer's plans. In fact during the focus group discussion, the members informed the researcher of how it took them two to three months for them to get the money on their account. They added that, the institution pressurizes them to bring all the necessary attachments needed to get the loan on time, but then it takes the organization more months to work on their files.

When the researcher got a chance to interact with the credit administrator about this case, he said that they had nothing much to do since customer files above 3 million are supposed to be approved at the head office. This risks customer information just in case the files are lost on the way. But also the inefficiency of staff who keep customer files on their desks for a long time before handing them over to the branch credit committee. Such delays affect business as customers may end up running to other financial institutions that are efficient.

5.4.1.2 High interest rates in Addition to Increased Costs

As an organization, UGAFODE targets the economically active poor who have been denied access to financial services from the formal financial institutions. With this target, one would expect the interest rates to be lower to enable this group of people improve their standards of living. However this is not the case. The respondents informed the researcher that UGAFODE's charges on its loans are not friendly to the poor. This affects customer's ability to transform their lives, as they have to work harder to repay the loan and interest, instead of utilizing the loan to become better.

In addition, women argued that the repayment period is too short given the nature of business supported. For example a farmer engaging in agriculture will have to expect money seasonally, which seasons change depending on the weather conditions. The bank however cannot reschedule its loan, and it always expects its money no matter whether the

produces were harvested or they were destroyed. This increases stress on its customers, which actually forces them to hide.

On the other hand, the respondents complained of the increased costs charged when acquiring the loan. These charges are too much for the poor who are only looking forward to develop themselves. A respondent informed the researcher that they invest in almost One hundred and twenty thousand Ugandan shillings excluding the different percentages charged on the loan its self. Such charges constrain them. With a furious facial expression, a respondent had this to say;

“The problem is that they don’t inform us during loan application. They wait until they give you the money and then begin to inform you of the different charges you must incur. Of course at this point it’s hard to change your mind” (Interview, January 2014).

5.4.1.3 Lack of Collateral/land Titles

Legal and customary laws often restrict women’s access to and control over assets that can be accepted as collateral. Women are much likely not to have land titles under their names even when their families own land (Fletschner and Kenney, 2011). The misconception in many male dominated societies that land belongs to men has left many women and daughters at a disadvantage. This explains the reasons as to why the greater percentage of land in male dominated areas still has ownership under men. The only opportunity women have is to cultivate and grow produces only to wait for the husband to sell off these produces. This means that even when a man dies, still the relatives of the husband will deny the widow access to this land. This has been a greater barrier to women in enabling them borrow enough money. Actually you find that women have a mentality of borrowing as little as they can, as long as they are able to repay it.

Although UGAFODE gives out loans to women individuals in groups, this is done with smaller amounts of money since its not secured. Therefore this means that women who may want bigger amounts have to own land titles or any other collateral to act as security to the loan. However many rural women still lack securities besides the big business plans

they may have. During the interviews, women repeatedly mentioned the issue of land titles. The women representative Kyotera County had this to say;

“Here in Africa, it’s hard to find rural women with land titles or any other asset that would be used as security to secure a loan in a bank. Most securities belong to men, and unless women beg their husbands to guarantee them, it becomes hard for them to approach a bank for bigger amounts of money. This has kept many capable women in prison of their husbands since they can not stand independently”(Interview, January, 2014).

5.4.1.4 Long Distances

The long distances customers have to travel during the process of acquiring and repaying the loan is indeed constraining. UGAFODE has customers allover the district of Rakai, some of which reside deep in the villages. This means that they have to incur transport costs to the only branch they have in the whole district. Because of the need to minimize costs, customers decide to send the money through the staff mobile phones, which make it even more risky as a staff may refuse to accept receipt of the money. One of the respondents residing in Matata-about 40km away from the branch complained about this;

“We incur a lot of money from here to the branch. In fact if I add up the amount of money I have so far incurred in transport from the day of application to repayment, it might nearly equate to the amount of money I was given. I wish the organization could at least establish a branch for us, in one of the nearest centers like Buyamba, we would be grateful”(Interview, January, 2014).

If the organization could devise means of reaching the services to the customers at the cheapest costs, such transport costs could be minimized.

5.2.1.5 Illiteracy

According to WOG (2012) report, there are predominately low levels of education and lack of skills amongst individuals in Rakai district. This affects the customer’s ability to interpret and understand the banking concepts. The UNDP (2007) report as cited in

(Fletschner and Kenney, 2011) revealed that women's lower levels of literacy and lack of exposure to other languages hampers their ability to benefit directly from what is provided in writing or in languages other than those they speak at home. This means that they will find difficulties in fully understanding the conditions of complex financial products available to them. In the end, most women take up loans, but with limited knowledge on the terms and conditions that have accompanied that particular loan. The researcher noticed this while in the field, as customers could complain about the different charges after receiving the loan. This showed to me that, these customers didn't understand the terms and conditions during the loan appraisal process.

On the other hand, this should be blamed on the side of the institution whose biggest percentage of customers is rural, with low literacy levels, yet they are supposed to sign documents that are written and printed in English. This language is foreign to most of these rural farmers. Besides, some concepts are even hard to be translated in the local language as the translation may inform a different meaning to the customer (According to the loan officer). For this reason, D'espallier et al (2012,p.592) asserted that, serving women is more costly as they are less educated and may require additional services from MFIs such as business training. This results into increased personnel expenses and administrative costs

5.2.1.6 Amount of loan applied for versus amount disbursed

Treichel and Scott (2006 as cited in D'espallier et al, 2012,p.593) raised a statement that I found applicable or justified in this study. According to them, there seems to be gender stereotypes of financial managers and loan officers who consciously or otherwise believe that women are unable to succeed as entrepreneurs. Because of this assumption, women are given lower loan amounts of money even when they have extremely good business ideas, which would require large loans. During my discussion with one of the credit officers, I realized that UGAFODE Kyotera branch had no women customer above three million. This implied that they had even set a limit for women borrowers. Such segregations affect women's ability to grow their businesses as well as improving their lives. Actually having fewer amounts than what was applied for is one of the main cause

of multiple borrowing, as customers look for enough money to help them manage their business. A respondent dealing in second hand clothes had experienced this;

“I needed a loan of five million to get my clothes from my suppliers in Kampala. UGAFODE gave me three million and yet I had no money with me, so I had to borrow the rest of the two million from other microfinances” (Interview, Januray, 2014).

5.4.2 External Limitations

The researcher defined the external limitations as those beyond the powers of both the institution and the customer/respondent. They include changes in weather conditions and ill sickness of the customer and or a relative.

5.4.2.1 Changing Weather Conditions

According to RDLG report (2011/2013), 96% of the population is rural, which means that the biggest proportion of the population of the district is basically agriculture in nature. In this rural environment, production and settlement patterns vary depending on the climate, vegetation, water supply, soil fertility and diseases. The biggest number of UGAFODE clients in the district is said to be engaging in agriculture, which is affected by the changes in weather conditions. This in the end affects customers’ ability to repay the loan according to the installment schedules. Actually according to the loan officer,

“There is no way how UGAFODE can deal with this, unless it withdrawals its services from the district which is impossible. Such changes have increased the number of defaulters as customers find no other means to repay the loan” (Interview, January, 2014).

The credit policies and procedures manual (2007) states that loans may be rescheduled in case of weather vagaries like drought and hailstones. However this policy seems to be inactive, since the respondents raised it as a request they needed from the organization.

5.4.2.2 III- Sickness of the Customer/relative

This is beyond the customer's ability to handle and the institution has no way on how to deal with it. This is because, when giving out a loan, such predictions are not considered apart from death. Customers are charged a particular percentage of money to act as insurance for their loan just in case he or she dies before completing the loan. In such a situation the insurance company is responsible for the payment. However this fee doesn't take into account a situation where a customer or his or her child, closest relative falls sick for a long time, and yet expected to pay the installments/loan. What makes the matter worse is the fact that any delay in repayment leads to a penalty fee, which increases the amount of money a customer is supposed to repay. The researcher came across a respondent whose daughter had been admitted in the hospital yet she had to pay her installment in the same week. The respondent reacted;

My daughter (referring to the researcher), you are also a human being with a heart, could you leave your daughter bedridden and dying at home, because the only money you have with you is to pay for the bank's installment. I had the money with me to pay, but during the same week, my daughter was diagnosed with severe malaria that I had to spend days in the hospital, and of course I had to use the money. When I tried explaining to my loan officer, the would be response was, your daughter's sickness is not my business, you have to bring the bank's money. I wondered which kind of people they are.....”(Interview, January, 2014).

But of course in reality the loans officer is right. This is because such cases were not planned for while taking the loan. His or her duty is to recover the institution money at all costs possible. However some times it is necessary to listen to and understand their customers. Those were some of the challenges faced by UGAFODE customers.

5.5 How can such challenges be minimized

5.5.1 Mobile Banking

With the increasing global transformation in technology, all institutions are making sure that they make use of this chance, rest they surrender in business in such a competitive business world. Mobile banking has been found as an efficient means of reaching the services to customers with fewer costs. This is because many banks are always located in urban centers, yet they have customers in far rural areas. This means that those in villages have to incur transport costs to bring their deposits or loan installments to the bank offices in towns.

In order to solve this problem, most of the banks in Uganda have established a policy of mobile banking where by customers only need to visit a nearby mobile money center, deposit money on their line, and then make a transfer to their account. They always receive an instant message from the bank confirming that a deposit or even a withdrawal has been made on their account. This saves customers from moving long distances with the money, and also putting their businesses at a stand still because they have to go to the banks to deposit money. If UGAFODE could adopt this method, it could save most of their clients in deep villages from incurring lots of money. It would also be another way of taking the service to its clients. Conversely, this service needs some literacy skills, which are still lacking amongst many rural women in not only Rakai, but also other districts across the country. It will therefore come with extra costs, as UGAFODE may need to first hold trainings for its customers to train them on how to use and get used to this service.

5.5.2 Need for special Trainings and counseling seminars for men/couple

Sara (2011) realized that without education/ training for male members of the family, women would continue to be disempowered in the family. She suggests that the education of the husband is likely to increase women empowerment. With experience from Uganda, most of the women are dependent socially and economically on the male members of the society. Therefore when men are educated, they will be aware of the female rights and will instead give them self confidence as far as decision making within the household is concerned. As earlier explained in the findings, men have gone ahead to ignore their responsibilities of taking care of the family whenever they realize that women have money. Actually on some occasions, men use women/their wives to get a loan from the bank especially when the husband has a different loan with another bank. While other men, after asking their wives to guarantee them, they run away with the institution money, and leave the burden to the woman. A credit officer informed the researcher of three women whose husbands had ran away, but they had to pay the money since they had guaranteed them.

Under such circumstances, the organization should hold meetings or training sessions for the couples before giving out loans to either of the two. Men should be advised to be supportive to their women instead of dragging their energies .In this case the loan would not become a burden to the woman but rather an opportunity to expand their family. A disappointed wife asserted;

“I gave my ATM to my husband to withdraw one hundred thousand (100,000) on my behalf, but instead he withdrew 500,000 and took the 400,000. I waited to hear him telling me where he had invested the money but in vain. He doesn’t buy salt, soap, paraffin or any other household item. When you tell him to help you sell the coffee and bananas, he sells more and instead presents less. Such issues discourage me”(Interview, January, 2014).

Besides the training for men, there is also need to organize more training sessions for the staff especially those dealing with women borrowers. Like D’Espallier et al (2012) writes

that, a gendered approach is needed to better extend services to women, as they may require specific and possibly additional services tailored to their specific needs. According to the women representative Kyotera County, women need to be treated in a special way especially during loan recovery. She informed the researcher that she had got a number of complaints from women that the loan officers are harassing them. This habit cuts across all loan officers from different banks in the area, not only with UGAFODE staff. She suggested that handling women borrowers should be done in a more conversant way, but not in public places like markets where women are harassed in people of different age groups. She added that, such humiliation of women in public places brings bad reputation to them in the community. This therefore calls for respect for the female borrowers and possibly gender awareness training for the staff on how to handle women.

In addition to the above, added efforts are still needed during the process of loan appraisals. Customers should be provided with sufficient information concerning the banks policies and procedures to avoid complaints in the near future. I guess lack of enough information was the cause of the complaints about the many charges. While the bank tries to get as much information concerning the customer, so it should provide sufficient information to them. This will help in protecting the integrity of the organization, since it is easy for unsatisfied customers to tarnish the name of the organization.

5.5.3 A call for synergy between government and financial institutions.

A public-private partnership would help in lowering the interest rates and some of the different charges levied on customers. The government through the Bank of Uganda defines the rules and regulations under which the different banks and financial institutions should operate. Such rules also come with different costs that are extended on the customers. For example the B.O.U requires every borrower to have a financial card, which is quite expensive for the low-income earners who are just looking for a loan to transform their lives. Actually many respondents complained about this charge (40 to 45000 Ugandan shillings) .If such fees are reduced for the economically active poor, many would borrow and the trend of poverty amongst individuals could probably be reduced. However

am not concluding that if people get access to loans, poverty can be minimized. Other factors of course need a recall. Equally in the same way, it is a call for the government to invest funds in the financial institutions that target the poor, with the aim of lowering the interest rates. This could be a benefiting factor to both the financial institutions and the customers.

5.5.4 Loan rescheduling/ Extension of the repayment period

Like mentioned earlier, UGAFODE mainly targets farmers, who are affected by weather changes. This automatically affects the repayment schedule of those customers who depend entirely on the produces to recover the loan. In such circumstances, loan rescheduling could be a solution. For example, if a customer was supposed to pay in February, and it turns to be a drought season, then the loan could be rescheduled to April giving them allowance of March where it normally rains. Similarly the same could apply to the small enterprise business loans. The nature of such business cannot make profits on a daily basis. In fact you may even spend two days without getting customers, and yet expected to repay the loan in six months (Respondent says). If this could be extended to at least one year, it could reduce the pressure on customers, but also give them ample time to manage the loan. However the researcher is not concluding that longer repayment periods would enable borrowers to repay the loan. It also depends on the willingness and business returns of the customer.

The most important factor while extending credit to the rural poor especially women, is to get to know their problems. This can help in designing products that suit their needs. Without this, many microfinance institutions are prone to making losses as people are given different types of loans, and they use them for different needs. For example during the study, many women were fond of borrowing a school fees loan and invest in Agriculture and vice versa. This in the end affects the returns for repayment. While identifying their needs, it should be accompanied with capacity building seminars and trainings. Not every one who borrows a loan knows how to manage it efficiently to enable him or her make profits for both business growth and loan repayment.

5.6 Drawing the margin: Does theory confirm practice?

The connectedness between Chen's feminist theory of empowerment and the study findings is unbalanced. On one hand, the findings revealed that when women take up full control and decisions on the use of the loan, they are able to start and or expand business thus increasing incomes in their hands. This later alone facilitates their ability to take on responsibilities that were socially defined as men's roles; such as paying school fees for the children, paying hospital bills as well as providing for the household necessities. While, on the other hand, there are some factors that were under looked by Chen in her theory, yet they are a threat to women's empowerment through microfinance. Chen shows a linear process of empowerment that women would achieve when they get access to loans, yet it is not the case. There are many factors that hamper women from utilizing credit to the levels outlined by Chen.

First and foremost Chen shows an absolute access of loans by women and definite provision by the microfinances. She doesn't consider at any stage where microfinance institutions can limit women's access to loans. Fletschner (2009, p.619) reveals that biases in lending practices of the financial institutions greatly affect how much capital women can access. She adds that, women are at a disadvantage when microfinance institutions define the type of activities to fund, which may not be typically ran by women. Or even under circumstances where the institutions reject female guarantors. In fact there are some special favours loan officers ask from customers like certain percentage of the loan/bribe to quicken the loan process, and such favours are not acceptable behaviors for women (Ospina, 1998 as cited in Fletschner, 2009). Likewise, some microfinances have a tendency of segregating women with a perception that they are risk averse compared to men as regards starting up businesses or borrowing large sums of money (D'Espallier *et al*, 2012, p.592). There is a belief that women will always invest their incomes in smaller businesses, which may not yield profits in the shortest time possible as may be required by the financial institutions.

The respondents informed the researcher of how they have been limited to access a certain amount of loan from the institution. In fact, one of the staff members of UGAFODE informed the researcher that, the highest amount of loan given out to women in Kyotera is three million. This is because big amounts of loans require an individual to have a security, which is still a challenge to most of the women in the area of operation. Hence women end up relying on the assets of men. This case is very common in societies where women are limited in their access to or control over property, as the inheritance laws give preference to male relatives. In her article, Fletschner (2009) wrote that the agrarian reforms in the past have allocated land to household heads, who happen to be men. Therefore any property that could be offered as collateral is likely to be in the hands of men within the household. In such a situation, women cannot apply for a loan unless they have the support of their husbands or a male relative. This has discouraged many rural women from accessing credit even when they might have profitable projects.

Similar to the above is the socio-cultural factors of a given society, which are always at play. The norms and values in most of the male dominated societies have defined the roles of women as different from those of men, which further affects women's access to loans. Unlike men, women face demand sided constraints which can arise due to their reproductive roles within the household. They not only limit women's mobility and ability to attend trainings, but also compromises women's access to information, institutions and markets (Fletschner, 2009). Like raised earlier in the challenges faced by women in accessing credit, they need to travel long distances and at the same time, have to make sure that all is well at home. This increases their transaction costs of both applying for and repaying the loan. Chen did not foresee this in her theory of feminist empowerment. Additionally, society has instilled a sense of dependency amongst women, that even when they have income, they cannot support the family. With experience from my home area, there is still much belief in men as the heads of the family and therefore are the ones responsible for the provision of all household necessities.

Finally the behaviors of the husband in the family can either enable the women to use the loan effectively or constrain her. In some situations, men wouldn't like their women to borrow thinking that they will become more powerful as concerns household decision

making. In fact during my interaction with the respondents, this seemed to be right. Women who contributed the biggest percentage of the household income demonstrated high powers as regards decision making within the family, as compared to those whose husbands contributed the biggest percentage. In order to reduce women's demand for capital, men provide the goods their wives would have contributed to the household (Fletshner, 2009). For those men who allow their women to borrow, have withdrawn from providing for the family needs, thus burdening the woman.

The above points indicate that a lot is still needed if we are to ensure women empowerment through microcredit. Before financial institutions think of providing credit to women, focus should be put on the obstacles that deter women from utilizing the loan effectively. That is to say, there is need to challenge the socio-cultural values that determine women's behaviors in the society. In fact such values even determine the type of businesses women engage in. Thus women need considerable support, which could be provided in form of information, and leadership skills to enable them understand their abilities in promoting their empowerment. Also measures should be taken by financial institutions to counter the biases against women borrowers. If it's the staff who does the act, then a gender awareness training is needed.

CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

Women make up the largest number of the population in the world and remain to be the poorest section of the society. They have been confined to household roles thus left with little or no opportunities to engage themselves in economic activities. This perpetuates the gender gaps between men and women as well as increasing women's marginalization. However it's been argued that investing in women avails more benefits to the family and the community at large. This study aimed at assessing the extent to which access to loans can lead to a change in gender responsibilities within the household. The findings to this study were based on four main objectives; To find out the motivations behind women borrowing and how they spend the loan/income; To find out whether there has been a change in gender responsibilities due to access to loans; To explore the challenges women face in accessing and or utilizing the loan, and finally how these challenges can be minimized. Although the benefits of microfinances to women have been mixed, several studies have shown that giving credit to women increases income in the hands of women. This enables them start up and manage their own businesses thus altering the underlying social-cultural norms and beliefs that had kept them in the position of marginalization, hence leading to their empowerment.

Empowerment in this study was measured by the ability of the woman to take up household responsibilities. The findings revealed that women are able to manage household responsibilities if they have access to loans/ income. This has disproved the norm that it is the responsibility of the husband to take care of the family in most male dominated societies. But this also varies with different classes of women. Some of the respondents still showed their dependency on their husbands. I think this is due to the way society has shaped women and or girls. They have a saying "*even if a girl doesn't work, the husband will work for them*". In fact at times some women intentionally don't buy household necessities as they keep their money for cosmetics and clothes, knowing that men will do the needful. Therefore these findings cannot generally conclude that as women access loans/income, will be able to provide for the household necessities. The

trend varies according to how different women have been nurtured by or accepted the rule of the societal norms.

On the other hand, women raised a number of challenges they are facing in trying to access loans, as discussed in chapter five of this paper. Such challenges have constrained women borrowers instead of enabling them transform their lives and that of their family members. In fact skeptics to women's empowerment through microfinances argue that, access to credit alone cannot do much in promoting the empowerment of women; rather it should be combined with other services such as advocating for change in cultural norms and values. The cultural responsibilities of women as assigned by the society are still hindering them from exercising their full potential in utilizing the loan effectively, as it's quite hard and stressing for women to engage in economic activities besides the household work.

Therefore this calls for sensitization of men to supportive to their partners in managing household responsibilities. The findings to the study revealed that men have gone ahead to withdrawal their role in providing for household necessities whenever they realize that women have income. In this case the loan has become a burden to women as they end up spending all their profits towards providing for household needs. But also there is need combined efforts of women and men as citizens, community, national, regional, NGOs and international activists for women empowerment to increase sensitization of men and also instilling women's confidence, as well as building their capacity as great contributors to the growth of the community and economy of the country at large.

6.2 Recommendations

As far as the field of research is concerned, it would be interesting if a study is conducted on how access to loans among women leads to a change in social behavior within a family. During my interviews with the women borrowers, it revealed to me that, women who have accessed income want to exercise more powers over their husbands. As a matter of fact, some women informed the researcher that as long as they contribute the biggest percentage of the income to support the family, so their decisions should be listened to. If this cannot happen, then they will end up in quarrels with the husband. It would therefore

be interesting to conduct a study amongst men and women, trying to verify whether access to loan changes the social behavior of either partner.

Microfinance institutions should be strengthened to maximize their support to the poor women. There is no way through which microfinance institutions would claim to have empowered women when the causes of powerlessness stem from within the family its self. Conferences, seminars and trainings for partners could help in addressing this. Men need to be informed of the role of women not only in transforming the family but also the society at large. Therefore they need to be supportive to their wives when they take up a loan instead of putting the household responsibilities on their shoulders. In addition, gender awareness trainings should also be held for the staff to be acquainted with special tactics of handling women borrowers. Because of their nature, women need to be handled in a special way both in loan applications and during recoveries.

There is need for government-aided policies towards efficient use of loans by women. Many women in most of the male dominated societies have no independent sources of income, or even independent property to act as security when applying for a loan. Most of them are still dependent on their husbands since that's how society has nurtured them to behave. Actually most women think that financial institutions belong to the rich people, and yet such firms target the poor. What makes them think so is the fact that most financial institutions levy high charges on customers, which may not be affordable by the low-income earners. Therefore it is a call to the government through the Bank of Uganda to minimize its costs charged on institutions that aim at transforming the lives of the poor, specifically the women. This would motivate many economically active but poor rural women to access loans.

In a nutshell, this study aimed to contribute to the body of knowledge /research that has been written on microfinance and women empowerment. Like other studies have revealed, there is a possibility of achieving women empowerment through microfinance, only if the underlying socio-cultural factors have been addressed.

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APPENDICES

Appendix I: Introductory Letter from University of Agder

Date: 14 June, 2013

Visiting Address:
Gimlemoen 25
Phone: +47 38 14 16 20
Fax: +47 38 14 10 28

To Whom It May Concern,

JOSEPHINE NABAYINDA

This is to certify that Josephine Nabayinda from Uganda is a student at University of Agder, Norway. She is pursuing our MSc degree in Development Management and is planning to conduct field work and data collection in Uganda in connection with her master's thesis. She is planning to do the data collection in Uganda from the beginning of January to the end of March 2014.

Field work in connection with the master's thesis is a compulsory part of the master programme. Ms. Nabayinda is a quota student and all quota students in our master programme conduct their field work in their home country. She is planning to graduate in June 2014.

With Best Wishes,
Yours Sincerely,



Jannik Stølen Timenes
Academic Adviser

Department of Development Studies

Appendix II: Acceptance letter from UGAFODE to conduct the study



UGAFODE Microfinance Limited (MDI)

Silva Arcade, Plot 62 Bombo Rd.
P.O Box 30815 Kampala
Tel: +256 (41) 4257181
+256 (41) 423 5771/8
Fax: +256 (41) 425 7182
Email: admin@ugafode.co.ug

November 22nd, 2013

Ms. Josephine Nabayinda
University of Agder
Norway.

Dear Ms. Nabayinda ,

RE: RESEARCH PLACEMENT

Reference is made to your application dated 8th October 2013 regarding the need to carry out your research with our Organization. I am pleased to inform you that your application has been successful. The research will be carried out in Kyotera Branch for a period of 1 month effective 1st January 2014. Congratulations!

You are further advised that this is an unpaid position and you are required to abide by the rules and regulations of UGAFODE Microfinance Limited. During this period you will be assisted by the Branch Manager and you will be expected to do a report reflecting on your experience with the Organization at the end of the research.

Yours Sincerely,

Wilson Twamuhabwa
Chief Executive Officer

Appendix III: Semi-structured interview for women borrowers

Am by names of Josephine Nabayinda, a master student at the University of Agder in Norway. I am conducting a study entitled **microfinance and women empowerment**. Am concerned in trying to understand how access to loans can lead to a change in gender responsibilities at the household level. Your responses will be helpful in drawing conclusions to this study. I promise you that this information will be kept confidential.

Thank you

Background and Socio-demographic data

1. Sex.....

2. What is your age?

20 years and below

20-25

26-30

30-35

36-40

40+

3. What is your marital status?

Single		Divorced/separated	
Married			
Widowed			

4. What is your religion?

Catholic		Muslim		Born Again	
SDA		Protestant		Other, specify

5. What is the educational level of this person?

- Completed primary
- Completed secondary
- Tertiary education
- Degree holder
- Vocational or technical
- Don't know
- Never attended school

6. Do you have children? Yes.....No.....

If yes how many?.....

7a. How many of these children aged 5 years and below 17 years are in school?.....

7b. How many of these children aged 5 years and below 17 years are out of school?.....

For those out of school, why have they left or not started school?.....
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.....

Economic background of the family/household

8. Who takes care of your family financially? If not you
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.....

9. What is your relationship to this/these person/s?
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.....

10. What do you /does this person/do these persons do?
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11. Are you /is this/these person/s currently employed in the formal sector or engaged in paid work?

Yes..... No.....

If no, how is income generated?

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.....
.....

12a. What kind of household expenditures do you have in order to sustain the household - and who pays for what kind of expenditure e.g:

- Paying school fees
- Buying food and other household necessities
- Paying hospital bills
- Buying clothes for children/yourself
- Electricity
- Other things, please specify

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.....

12b. Apart from the household expenditures, In what other ways do you spend your income?

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.....

Household decision- making

13. Who decides different issues within the household? E.g: How money should be used or what kind of items should be bought/what should be covered by whom of expenditures? Who should go to school?

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14. Are there particular things that men have responsibilities for/make decisions on and particular things that women have responsibilities for/decide?

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.....

UGAFODE and issues concerning loans/services

15. For how long have you been a member of UGAFODE? (Please record numbers)

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.....

16. Have you received any loan or any other financial services from UGAFODE?

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17. If yes, what motivated you to go for this loan/financial services?

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18. Apart from loans, have you received any microenterprise training from UGAFODE?

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19. Do you get loans from any other financial institution apart from UGAFODE? Please mention other financial institutions

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20. Has the loan changed your household responsibilities?

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.....

21. Has the loan/the income made from the loan changed household decision-making?

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22. If you are to compare yourself with other women that have not received any loan, do you think there is any change in your economic status?

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.....

23. Are there any challenges you have faced in accessing and or utilizing this loan? If yes what kind of challenges?

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.....
.....
.....

24. What do you think can be done by either UGAFODE; the government of Uganda or even your husband/family members to enable you utilize effectively this loan?

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.....
.....
.....
.....

25. Do you have any other comments to make?

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.....

5. Are there any limiting factors in achieving any of those objectives?.....

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.....

6. Is there any government intervention in your activities, if yes, what kind of intervention and how is it done?

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7. As UGAFODE, what is your target population?

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8. Why are you interested in this particular group of people? What is your experience when dealing with this group?.....

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.....
.....
.....

9. How do you ensure that all your target area is covered well?.....

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.....

.....

10. What type of services do you offer to your clients?

.....

.....

.....

.....

11. Regarding loans, do you give short term or long-term loans?

Short term..... Long-term.....Both.....

12. What is the level of loan uptake by women in Ddwaniro?

.....

.....

.....

(Look at the previous six months to date to capture new loans booked per month)

13. What is the repayment period of your loans?.....

14. Do you think clients of UGAFODE face problems in trying to acquire and or repay the loans? If so, why?

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.....

15. In case a client fails to pay back a loan, what do you do?

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16. Are there any criteria you base on when identifying your beneficiaries? If so what kind?

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17. Do you think UGAFODE has contributed to a change in women's situation?

If yes, how or in what ways has this happened?

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18. In addition to the above, is there, in your opinion, a change in female roles in the household/your communities of operation as a result of your work?

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19. Are there any challenges you as UGAFODE face when extending credit services to the poor?

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20. How do you attempt to overcome those problems at both the branch and Institutional level?

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21. In your opinion, what do you think can be done to better extend credit to rural women especially in Ddwaniro sub county?

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22. Briefly describe the relationship between UGAFODE and its Clients

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23. Are there any other comment that you would like to make?

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.....

Thank you very much for your Cooperation

Appendix V: Focus Group Discussion Guide for Women borrowers

Am by names of Josephine Nabayinda, a master student at the University of Agder in Norway. I am conducting a study entitled **microfinance and women empowerment**. Am concerned in trying to understand how access to loans can lead to a change in gender responsibilities at the household level. Your responses will be helpful in drawing conclusions to this study. I promise you that this information will be kept confidential.

1.For how long have you been a member of UGAFODE?

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2.Have you recieved any loan from UGAFODE?.

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3. Apart from loans, have you received any microenterprise training from UGAFODE?

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4. Do you get loans from any other financial institution apart from UGAFODE? Please mention other financial institutions

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5. What do you use the loans for?

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6. What motivated you to go for this Loan

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7. How has this loan helped you in changing your household responsibilities?

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8. Are there any Challenges you have faced in accessing and or utilizing this loan. If yes what Challenges?

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9. What do you think can be done by either UGAFODE, government of Uganda or even your husband to enable you utilise effectively this loan?

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10. Do you have any other comments or reactions to make?

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Thank you very much