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EFFECT OF MICROFINANCE SERVICES ON WOMEN SOCIO ECONOMIC DEVELOPMENT: A CASE STUDY OF TUMBA MICROFINANCE IN HUYE DISTRICT, RWANDA.

MUSORE Gapingi Patient

Jomo Kenyatta University of Agriculture and Technology,

Dr. MBABAZI Mbabazize

Jomo Kenyatta University of Agriculture and Technology

Dr. Ruhara Charles

Jomo Kenyatta University of Agriculture and Technology

ABSTRACT

The purpose of this study was to determine the effect of microfinance services on the social economic development of women. The specific objective of the study was; to determine the influence of microfinance credit on social economic development of women in Rwanda, to determine the influence of microfinance savings on social economic development of women in Rwanda and to establish the influence of microfinance training on the empowerment of the women in Rwanda. The study used descriptive survey research design. The target population for the study was 140 women using Tumba microfinance in Huye district. The sample size for this study was 104 women determined using Slovin's formula for sample size determination. Simple random sampling technique was used in selecting samples. This study used questionnaires as the instrument for primary data collection. Data collected was analyzed using statistical package for social science (SPSS). The study findings indicated that microfinance credit, training and savings are significantly collated to women social economic development. The study recommended that trainings should be based on the need of the women i.e. basing on their engagement. Also loan borrowers should be allowed adequate time for paying their loan.

Keywords: Credit facilities, Micro finance Institutions, Micro finance Services, Socio-economic development

2. Introduction

Microfinance is the provision of financial and non-financial services by Micro Finance Institutions (MFIs) to low income groups without tangible collateral but whose activities are linked to income generating ventures (Ledgerwood, 1999 and (Khandker, (2006). These financial services include savings, credit, payment facilities, remittances and insurance. The non- financial services mainly entail training in micro enterprise investment and business skills.

The majority of women with low level of education are not in formal employment. They therefore resort to informal employment that requires financial resources. They can access to microfinance services, since they lack collateral against which to access credit facilities from Commercial banks. The financial resources are necessary for start-up of new businesses and expansion of existing businesses; hence improving the client's living standards (UNICEF, 1997). Women are the major beneficiaries of MFIs, because they were traditionally disadvantaged from inheritance of property such as land. Women particularly have greater difficulties in terms of accessing banking and related services (Rambo, 2013). Many studies have argued that microfinance services empower women. Increasing women access to finance will enable women to make a greater contribution to household income and this, together with other interventions to increase household well-being, translate into improved well-being for women and ability to bring about wider changes in gender inequality (Stewart et al., 2010).

The offer of financial services to the poor is one of the ways governments and other development organizations are adopting to alleviate poverty (Moyo, 2009). This offer of financial services is based on the understanding that people will be able to participate in production if they are provided with capital resources through the offer of financial services. Its mission is to stimulate and sustain the private sector development process; facilitate capacity building of members; participate actively in the global microfinance industry and serve as a key player in the rural and urban transformation of Rwanda. Subsequent to their flexible and innovative approach, including packages such as group guaranteed loans, microfinance institutions have provided access to financial services to individuals and groups that were hitherto excluded from financial services (Kagondoki, 2008 and Dunford, 2001).

3. Problem statement

Despite the pervasive belief that microfinance helps women, few programmes have developed concrete ways to meet the distinct demands of poor women for savings services. Kiriti (2005), in his study concentrated on the impact of microfinance repayment on household asset. The findings were that poor households depleted livelihood assets in the course of loan repayment since the income generating activities were not raising enough profits to repay the loans on time. Kiriti (2005) argues that microfinance tends to indebt poor women leaving them more vulnerable and exposed. The study showed that debt for vulnerable households could make them worse off due to their effects on livelihood assets in case of inability to repay or gender biases in the control of household resources. Some MFIs have faced financial liquidity problems due to loan defaulting clients.

Despite the apparent success and popularity of microfinance, no conclusive evidence yet exists that microfinance programs have positive effects on socio-economic status of women (Armendáriz de Aghion and Morduch 2005, 2010) however with the increased growth of the microfinance industry and the attention the sector has received from policy makers, donors and private investors in recent years, the existing microfinance impact assessment need to be re-investigated; the robustness of claims that microfinance successfully alleviates poverty and empowers women must be scrutinized more carefully. Hence, this study sought to find out the effect of microfinance services on social economic development of women in Rwanda.

4. Objective of the study

The purpose of this study was to investigate the effect of microfinance services on social economic development of women in Rwanda**.**

3.1 Specific objectives

The study sought to address the following specific objectives:

i. To determine the influence of microcredit facilities on social economic development of women in Rwanda
ii. To establish the influence of microfinance training on the empowerment of the women in Rwanda
iii. To assess the influence of savings on social economic development of women in Rwanda

5. LITERATURE REVIEW

4.1 The Concept of Microfinance and Social economic development

Microfinance is evolving as a powerful instrument for poverty alleviation in most global economies. Microfinance is a collection of banking practices aimed at providing small loans (typically without collateral) and accepting small deposits (Cheston and Kuhn, 1995). Microfinance for the poor in general and poor women in particular has received extensive recognition as a strategy for poverty reduction and for women‘s economic empowerment. Women generally are poorer and more disadvantaged than men (Cheston and Kuhn, 1995). There are good reasons to target women. This includes the fact that through microfinance institutions most people are free to access loan facilities which will promote and enhance business development among the community residence and the entire business community (WSBI, 2010). This will promote development to a greater height and contribute to the gross domestic product. Microfinance empowerment has been enhanced for its support system to the poor population through services offered which includes loan facilities, training services among other services which have so far been offered with these financial institutions (Yunus, 2003).

Microfinance institutions around the world have been quite creative in developing products and services that avoid barriers that have traditionally kept people from accessing formal financial services such as collateral requirements, male or salaried guarantor requirements, documentation requirements, cultural barriers, limited mobility, and literacy. Nevertheless, in a number of countries and areas few or no institutions offer financial services under terms and conditions that are favorable to women (Burjorjee, 2002).

Empowerment is the gaining of the ability to generate choices and exercise bargaining power, developing a sense of self-worth, a belief in one‘s ability to secure desired changes (UNIFEM, 2000). The right to control one‘s life is an important element of women‘s empowerment. The term "empowerment" has been used to represent a wide range of concepts and to describe a proliferation of outcomes. The term is used more often to advocate for certain types of policies and intervention strategies than to analyze them (Bratton, 2001). Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. Microfinance can provide the economic opportunities that women need to control their lives. Poverty alleviation strategies that focus on empowering women not only improve the lives of women, but also positively affect entire families and communities. According to Cheston and Kuhn (2002), when women are given greater autonomy over their lives and the lives of their children, living conditions tend to improve. These scholars argue that this is so due to the fact that women are most apt to use household income to better the nutrition, health, and educational opportunities of their children. Societies that discriminate on the basis of gender pay the cost of greater poverty, slower economic growth and lower living standard of their people. Evidence is mounting that improved gender equality is a critical component of any development strategy.

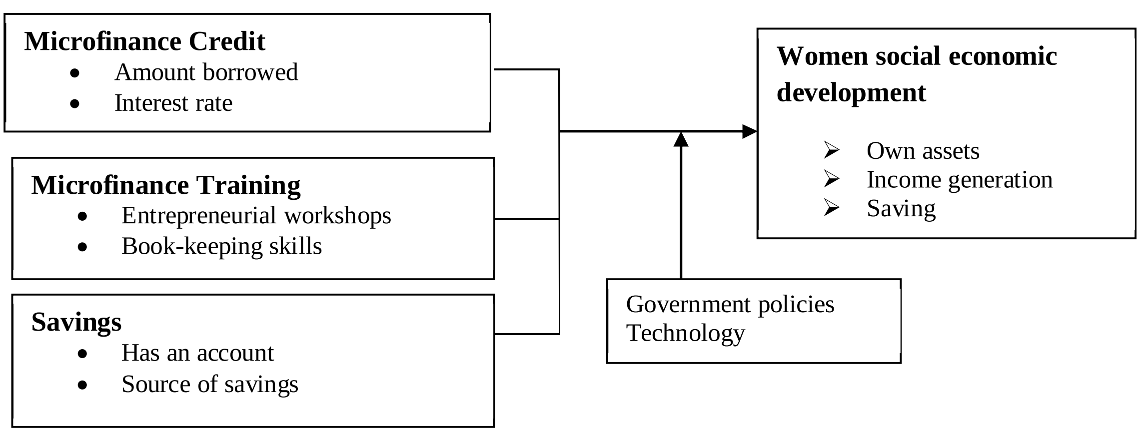
Microfinance is an integral component to new development strategies because it allows women greater autonomy and control over their economic well-being. Kazi (2007) pointed that running a successful business not only contributes to women‘s improved welfare, it also contributes both directly and indirectly to their empowerment. Access to start-up and an increase in working capital is particularly important for women‘s empowerment. Access to credit and business training has helped women to expand and improve their businesses, leading to increased decision-making power and earning them respect in the home and community. Advice and peer support has helped women manage their triple roles as mothers, wives, and businesswomen. Cheston and Kuhn (2002) have argued that education and experience in leadership have helped women become more confident and capable leaders.

A report by REPOA (2005) in northern Tanzania showed that microcredit programs positively affect a woman‘s decision-making role, her marital stability, and her control over resources and mobility. This report established that a woman‘s contribution to her household‘s income is a significant factor towards her economic empowerment. The impact of microfinance on women‘s empowerment is clear and impressive. Because economic advancement of women is crucial to poverty alleviation, it can be deduced that access to financial services is also an integral component to the eradication of poverty. Women are traditionally treated as inferior to men because of lack of economic opportunity and authority over income generation (REPOA, 2005).

4.2 Conceptual Framework

According to the literature reviewed, women Social economic development is likely to be affected by a number of factors including microfinance credit, microfinance training as well as saving. This constituted the independent variables for the study. Dependent variable was women Social economic development

Independent Variables- Micro finance services **Dependent Variable**



Intervening Variables

Figure 6: Conceptual framework

4.2.1 Credit facilities and Social economic development of women

Microfinance is considered as a means of providing women with credit facilities that could not be obtained from other formal financial sources and hence empowers them through economic independence (Lakwo, 2006). Microfinance credit facilities have been increasingly hailed for their positive economic impact and the financial self-sustainability of rural and sub-urban women. Most microfinance target women with the explicit goal of enhancing their financial self sustainability, and by providing women with access to small loans, it is expected to enable women generate an income and initiate their own economic empowerment

(Tedeschi, 2008).This is based on the view that women are more likely to be credit constrained, have restricted access to wage labor market and have limited decision-making and bargaining power within the household.

Women's empowerment is increasingly being viewed as one of the key constituent elements of the poverty reduction strategy. It is not only seen as a development objective in itself but as a means of promoting growth, reducing poverty and promoting better governance (World Bank, 2007). Specialized microcredit institutions providing loans to poor women all over the world, since the 1980s, have been widely associated with their potential to empower women economically, and that transpires into greater bargaining power in the intra-household decision making process (Khandker *et al.* 2006).

In gender comparison, different studies revealed that enterprises owned by women, experience the same problems as those owned by men, however certain characteristics are typical for many women-owned firms. These characteristics include small size, limited prospects for profitability and failure to provide collateral for obtaining loans (Coleman, 2002). Women are constrained by education/training, business experience, discriminations, socialization/networking, and unwillingness to take risk (Nchimbi, 2002). Also the overall negative attitudes towards the business owned by women (particularly by men) and inadequate and affordable business premises also limit the overall performance of female owned enterprises. Additionally, it is agreed that there is a significant variation between male and female especially when considering sources of funds for start up and running their businesses. For example, Katwalo (2007) established that female entrepreneurs relied more on family funds than male entrepreneurs. In this case it is difficult for female owned enterprises to take advantage of external finance opportunities.

It is from this perspective that micro credits are considered to be an appropriate solution because the amount of money needed to start a micro or small business is generally quite minimal (Wright, 2000). Access to credit enables the entrepreneurs to cover some or all of the cost of capital equipment, expansion, or renovation of buildings. It helps existing or would-be entrepreneurs acquire the means for establishing or expanding a business including building premises and working capital (UNDP, 2000). Credit also assists the business owner to cover cash flow shortage, purchase inventories, invest in new technology, expand the market and also take advantages of supplier’s discount. Without sufficient capital therefore, micro and small firms are unable to develop new products and services or grow to meet demand (Wright, 2000).

Credit is seen as a critical input for increasing the employment of women in home-stead income generating activities or enhancing the productivity of women's enterprises through the adoption of an improved technology. In either case there is a likely increase in the share of female earned income that manifests itself in greater `power' within the decision making process. Most of scholars such as Duflo and Udry (2003), Anderson and Eswaran (2005) and Basu (2004) recognizes that the value of power coefficient is increasing in the relative share of women's earned income in the household. Thus, it is claimed that access to microcredit through increasing women's income leads to empowerment. Goetz and Gupta (2007) point to another less developed link in the literature on credit and empowerment. They argue that the ability of women in bringing credit a valuable and productive resource to the household may enhance their position within the family, resulting in economic empowerment. However, they completely ignore this lead in their empirical approach of measuring and quantifying empowerment. Using an index reflecting the degree of control the women have on the loans that they take, they conclude that most women have minimal control over their loans.

There have been a number of studies done that point to a positive impact of microfinance on women empowerment. In one such study, Hashemi et al. (2007) find significant positive effects of membership in Grameen Bank and Bangladesh Rural Advancement Committee on empowerment, where their indicators of empowerment including female mobility in public domain, ability to make large and small purchases, ownership of productive assets, involvement in decision making and the ability to make choices regarding money and travel decisions.

The dynamic nature of the growth of the microfinance sector led policy makers to believe that education, health, water and social services could be enhanced by appropriately designed saving and loan services highlighting the role of microfinance. Tucker (2001) argues that in several countries a steady growth in the number of microfinance institutions (MFIs) increases local competition. MFIs increasingly compete in terms of attracting new clients and in attracting new funds. Hermes et al. (2007) find that local commercial banks have a growing interest in providing microfinance. Also, some governments actively stimulate commercial banks to enter into the field of microfinance. According to Hermes, local competition leads to lower interest rates, MFIs lowering their costs, increasing their efficiency, and the introduction of new financial services. Third, the authors mention the growing interest of commercial banks and investors, especially from developed countries, in funding MFIs.

Evidence from many microfinance projects implemented in less developed countries indicate that microfinance has improved the access and efficient provision of credit, savings and insurance facilities to the poor to sustain their consumption, manage their risk better, facilitate the building of asset bases through development of microenterprises, enhance their income generating capacity and eventually enjoy quality of life (Robinson, 2006).

4.2.2 Microfinance training and Social economic development of women

Microfinance‘s achievements in poverty reduction have been celebrated worldwide. During the last decades, these schemes have proved to be a successful adaptation to imperfect credit markets (Counts, 2008). They have relaxed the constraints on the poor‘s access to productive capital and consequently, contributed to break the vicious circle of poverty caused by low income and subsequent low investments (Marconi and Mosley, 2006). However, in many cases, practitioners have not limited their activities to the financial arena. They have been implementing integrated programs where microcredit is linked to education, health, nutrition and other non-financial services (NFS).

Different partnership arrangements involving a variety of actors have given rise to the development and implementation of an increasing number of high-quality, demand-led nonfinancial related services available to microfinance clients. In the early days of microfinance practically all MFIs supplied to their borrowers compulsory training and education programs. However, during the 1990s decade, the increasing pressure from donors such as USAID to specialize in microfinance activities and concentrate on financial sustainability contributed to phase out many of these holistic microfinance projects (Goldmark, 2006). Since then, efforts have increasingly focused on cost effectively integrating microfinance with other types of services and creating links between the borrowers and the service providers in order to enhance microfinance‘s impact. As a consequence, non-financial services have been substantially transformed (Sievers and Vandenberg, 2007). According to Yunus (1999) in his study conducted in Tanzania, after a period of unpopularity of non-financial services among the main stakeholders in the industry, international and local NGOs, such as Freedom from Hunger, as well as governmental social departments have contributed to reformulate the concept and take advantage of the MFIs‘ economies of scope.

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3. RESEARCH METHODOLOGY

3.1 Research design

The study used the descriptive survey research design, and covered Huye district. According to Cooper and Schindler (2003), a descriptive study is concerned with finding out the what, where and how of a phenomenon.

3.2 Target population

A target population refers to the "universe" from which the sample is selected (Alan *et al.*, 2007). The target population for the study was 140 women using Tumba microfinance in Huye district.

3.3 Sample size

The sample size for this study was 104 women. The sample size was determined using Slovin's formula

$n = N / (1 + N e^2)$

n= Sample size

N=Total population size

e= 0.05 Error tolerance (level of significance)

$$n = \frac{140}{1+140\,(0.05)^2} = 104$$

3.4 Sampling Procedure

Simple random sampling technique was used in selecting samples. This probability sampling technique is also referred to as representative sampling (Deming, 2001). It was preferred for this study since it give equal chances to all persons within the population to be sampled.

3.5 Data collection Instrument

This study used questionnaires as the instrument for primary data collection. Questionnaire is a set of questions arranged in particular order as per study objectives. The questions can be administered as soft copy or hard copy to the respondents. This instrument is less costly and participants can easily be reached even through email (Kothari, 1999) hence it was the appropriate choice for this study.

3.6 Data processing, analysis and Presentation

The completed questionnaires were edited for completeness and consistency before analyzing. Data was cleaned and coded to allow analysis procedures to be conducted with ease and to generate meaningful results. Data collected was analyzed using appropriate statistical tool. SPSS was employed as the appropriate tool for the analysis. Correlation analysis was carried out to establish the relationship between microfinance services and social economic development of women. A significant relationship was reported when the P value for the Pearson correlation coefficient is less than 0.05 ($P<0.05$).

The study also carried out regression analysis to determine the change in women social economic status that could be attributed to microfinance credit, microfinance training as well as savings. The regression model presented in the equation below was used:

$Y = a + ß_1X1 + ß_2X2 + ß_3X3 + e$

Where: Y = Women social economic development

a is the constant

$ß_1$, $ß_2$ $ß_3$ are Regression Coefficient

x1 is the microfinance credit

x2 is the microfinance savings

x3 is the microfinance training

e = error term

4. FINDINGS AND DISCUSSION

4.1 Demographic Information

The study sought to investigate the demographic information of the respondents. These data were important in ascertaining the background of the respondents in relation to the study. Analyses of the demographic findings are presented in this section and they include; age, education level, marital status, monthly income and source of income.

Table 1: Demographic characteristics of the respondents

	Frequency	Percentage (%)
Age in Years		
<30	21	25
31-40	45	52
>41	20	23
Marital status		
Married	63	73
Single	23	27
Education level		
None	42	49
Primary level	25	29
Secondary	19	22
Monthly income		
<100,000	35	41
101,000-200,000	51	59

Table 1 indicates that majority 52% of the respondents were aged between 31-40 years, 25% of the respondents were aged below 30years while 23% of the respondents were aged above 41years. This shows that majority of women using Tumba microfinance aged between 31-45 years. Also young adults of less than 30 years are accessing microfinance services.

The table also shows that 73% of the study respondents were married while 27% were single. This implies that the rate at which married women join microfinance institutions is higher compared to single women. This could be attributed to the increased financial needs among the married women as compared to the single women. Marital status could therefore be seen as a factor that influences microfinance membership among women. Majority (49%) of the participants had no education at all, 29% had attained primary education while 22% had secondary level education. This shows that majority of the women are illiterate and therefore there is a great need for various kinds of trainings that would assist in developing women such as entrepreneurial trainings.

Additionally the table shows that 59% of the study participants generated a monthly income of less than 100, 000RWF while 41% generated between 101, 000 – 200,000 RWF per month. This implies that although women are generating some monthly income, the amount generated by majority is low and may not be relied upon for major developments such as buying assets and educating children at the same time. This calls for economic empowerment for women in Huye district.

4.2 Source of Income

Table 4: Respondent's source of income

Source of income	Frequency	Percent (%)
Farming	48	55
Business	28	33
Employment	10	12
Total	86	100

Table 2 indicates that majority 55% of the respondents were engaged in farming as the source of their income, 33% of the respondents operated business for income while 12% of the respondents were employed. This shows that majority of women are farmers. Change of climate and increased cost of farming which may affect the farming output may explain the low monthly income reported by the respondents. Additionally, lack of education reported by the study participants would be linked with the low number of women who are employed.

4.3 Microfinance credit

Table 5: Microfinance credit

Statement	**Strongly Agree**	**Agree**	**Disagree**
Women have access to Microfinance Credit	17(20)	69(80%)	
You have ever taken a lone from your microfinance institutions	31(36%)	21(24%)	27(32%)
Loan payment period in your microfinance is satisfactory		25(29%)	61(71%)
Your have managed to buy any fixed assets from proceeds of your business		38(44%)	48(56%)
Through savings women are socially empowered		28(32%)	58(68%)
Through savings women are economically empowered		53(62%)	33(38%)

Table 3 shows that 80% of the study respondents agreed with the statement that women have access to microfinance credit while 20% strongly agreed with statement. Majority (36%) of the study respondents stated that they had ever taken a loan from their microfinance institution, 24% just agreed while 32% disagreed with the statement. The table also shows that 29% of the respondents agreed that loan payment period for their microfinance is satisfactory while 71% disagreed with statement. Also 44% agreed with the statement that they had managed to buy fixed assets from proceeds of your businesses while 56% disagreed. Majority (68%) of the study respondents disagreed with the statement that through savings women are socially empowered while 32% agreed. Further the table shows that 62% of the respondents agreed with the statement that through savings women are economically empowered while 38% disagreed

Table 6: Influence of microfinance credit on the social development of the women

Statement	Yes	No
Has microfinance credit enhanced your involvement in major family decisions	54 (63%)	32 (37%)
Has microfinance credit enhanced involvement in purchase decisions	84 (98%)	2 (2%)
Microfinance credit has facilitated your participation in major economic decisions	40 (47%)	46 (53%)
Through microfinance credit you are able to cater for family needs	67 (78%)	19 (22%)

Table 4 indicates that 63% of the study respondents felt that microfinance credit enhanced their involvement in major family decisions. Majority (98%) stated that microfinance credit enhanced their involvement in purchase decisions. Also 47% of the respondents indicated that microfinance credit had facilitated their participation in major economic decisions while 53% had a different opinion. The table also shows that 78% felt that through microfinance credit they were able to cater for family needs unlike 22% of the respondents.

Table 7: Correlation between microfinance credit and women social economic development

		women social Economic development	microfinance credit
Women social economic development	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	86	
Microfinance credit	Pearson Correlation	.538**	1
	Sig. (2-tailed)	.000	
	N	86	86

**. Correlation is significant at the 0.01 level (2-tailed).

Table 5 indicate that women social economic development is significantly correlated microfinance credit ($r=0.538$, $p<0.01$). This implies that the more the women access microfinance credit the more developed they will be both socially and economically.

4.4 Microfinance training

Table 8: Microfinance training

Statement	Yes	No
Your microfinance institution have held trainings	81 (94%)	5(6%)
Have attended training conducted by microfinance institution	57 (66%)	29 (34%)
Do you feel that the training benefited you	63 (73%)	23 (27%)

Table 6 shows that 94% of the study respondents indicated that their microfinance institution have held trainings. However, only 66% of the respondents indicated that they attended the trainings. Majority (73%) of the study respondents felt that the training benefited them.

Table 9: Type of training received

	Frequency	Percentage
Loan use	63	73%
Entrepreneurial	71	83%
Financial control	79	92%
Saving	82	95%

Table 7 shows that 73% of the study respondents had received; training on loan use, 83% had received entrepreneurial training, 92% received training on financial control while 95% indicate that they had received training on saving.

Table 10: Benefits from the training

Statement	Frequency	Percentage
Improved livelihood	73	85%
Established SEMs	65	76%
Taken loan	49	57%
Encouraged to start saving	81	94%
Improved finance management	77	90%

Table 8 indicates that following the trainings offered by Tuba microfinance; 85% of the respondents had improved their livelihood, 76% of the respondents had started small and medium enterprises, 57% had borrowed loan from the microfinance, 94% had started to save while 90% had improved on how they managed their finances.

4.5 Correlation analysis

Table 11: Correlation between women social economic development and training

		Women social economic	Training
Women social economic	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	86	
Training	Pearson Correlation	.625**	1
	Sig. (2-tailed)	.001	
	N	86	86

**. Correlation is significant at the 0.01 level (2-tailed).

Tables 9 indicate that there was a significant relationship between women social economic and training ($r = .625$, $p<0.01$). This implies that social economic development of women can be enhanced through training.

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4.6 Savings

Table 12: Savings

Statement	**Strongly Agree**	**Agree**	**Disagree**
Savings influence social economic development of women	77(90%)	9(10%)	
Savings have enhanced your involvement in major family decisions	13 (15%)	52(60%)	21 (25%)
Your savings has enhanced your involvement in purchase decisions	34 (40%)	48(55%)	4 (5%)
Savings has facilitated your participation in major economic decisions	39 (45%)	41(48%)	6(7%)
Through saving you are able meet family needs	67 (78%)	17(20%)	2 (2%)

Table 10 indicates that 15% of the study respondents strongly agreed with the statement that savings had enhanced their involvement in major family decisions, 60% just agreed while 25% disagreed with the statement. Majority (55%) of the respondents agreed with the statement that savings has enhanced their involvement in purchase decisions, 40% strongly agreed while 5% disagreed. The table also shows that 45% of the study respondents strongly agreed with the statement that savings has facilitated their participation in major economic decisions, 48% agreed while 7% disagreed. Also, 78% strongly agreed that through saving they are able to meet their family's needs, 20% just agreed while 2% disagreed.

Table 13: Reason for saving

Statement	**Frequency**	**Percentage**
No specific reason	33	38%
Entrepreneurial activities	61	71%
To be able to access loan	79	92%
To meet household expenses	43	50%

Table 11 shows that 38% were saving for no specific reason, 71% saved for purposes of entrepreneurial services, 92% saved to be able to access loan while 50% stated that their saving was meeting household expenses.

4.7 Correlation Analysis

Table 14: Correlation between employee involvement and performance

		Social economic development	Savings
Social economic development	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	86	
Savings	Pearson Correlation	.461**	1
	Sig. (2-tailed)	.000	
	N	86	86

**. Correlation is significant at the 0.01 level (2-tailed).

Table 12 indicate that social economic development is significantly correlated to Savings (r=0.461, p<0.01). This implies that social economic development of women can increase through increased saving.

4.8 Regression Analysis

Regression analysis was done to determine the relationship between microfinance services and women social economic development.

Table 15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.542[a]	.494	.468	.130

a. Predictors: (Constant), Microfinance credit, Training, Saving

Table 13 shows that the coefficient of determination R square is 0.494. The coefficient of determination indicates that 49% of the variation in women social economic development could be explained by independent variation i.e. microfinance credit, training, savings.

Table 16: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.575[a]	3	.192	11.388	.000[b]
	Residual	1.379	82	.017		
	Total	1.953	85			

a. Dependent Variable: Women social economic development

b. Predictors: (Constant), Microfinance credit, Training, Saving

Table 14 presents the results of Analysis of Variance (ANOVA) on microfinance services versus women social economic development. The ANOVA results for regression coefficient indicate that the significance of the F is 0.00 which is less than 0.01. This implies that there is a positive significant relationship between microfinance services and women social economic development and that the model is a good fit for the data

Table 17: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.791	.081		9.719	.000
	Microfinance credit	.102	.024	.187	2.317	.000
	Training	.156	.040	.371	4.934	.000
	Saving	.146	.031	.217	3.192	.024

a. Dependent Variable: Women social economic development

The study also sought to determine the relationship between microfinance services and women social economic development. Regression analysis was conducted to assist estimate the relationship. The study adopted the following regression model;

$Y = a + ß_1X1 + ß_2X2 + ß_3X3 + e$

Social economic development = 0.791 + 0.102 *Microfinance credit + 0.156 *Training + 0.141*Savings.

This illustrates that when all the independent variables values are zero, then the women social economic development becomes 0.791. Holding other variables constant, a unit increase in the logarithm of microfinance credit would lead to a 0.102 increase in women social economic development, a unit increase in the logarithm of training would lead to a 0.156 increase in women social economic development, a unit increase in savings would lead to a 0.141 increase in women social economic development.

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Of the 104 questionnaires issued out, 86 were returned. This represented a response rate of 83%. The study findings indicated that majority (52%) of the respondents were aged between 31-40 years, 25% aged below 30years while 23% aged above 41years. Also 73% of the study respondents were married while 27% were single. Majority (49%) of the participants had no education at all, 29% had attained primary education while 22% had secondary level education. Additionally the findings showed that 59% of the study participants generated a monthly income of less than 100, 000RWF while 41% generated between 101, 000 – 200,000 RWF per month. Majority (55%) of the respondents were engaged in farming as the source of their income, 33% operated businesses for income while 12% were employed.

Further the study findings indicated that 63% of the study respondents felt that microfinance credit enhanced their involvement in major family decisions. Majority (98%) stated that microfinance credit enhanced their involvement in purchase decisions. Also 47% of the respondents indicated that microfinance credit had facilitated their participation in major economic decisions while 53% had a different opinion. Majority (78%) felt that through microfinance credit they were able to cater for family needs unlike 22% of the respondents. Correlational analysis showed that women social economic development is significantly correlated to microfinance credit ($r=0.538$, $p<0.01$).

The study findings also showed that 94% of the study respondents indicated that their microfinance institution have held trainings. However, only 66% of the respondents indicated that they attended the trainings. Majority (73%) of the study respondents felt that the training benefited them.

Additionally the findings showed that 73% of the study respondents had received; training on loan use, 83% had received entrepreneurial training, 92% received training on financial control while 95% indicate that they had received training on saving. It was noted that following the trainings offered by Tuba microfinance; 85% of the respondents had improved their livelihood, 76% of the respondents had started small and medium enterprises, 57% had borrowed loan from the microfinance, 94% had started to save while 90% had improved on how they managed their finances. There was a significant relationship between women social economic and training ($r = .625$, $p<0.01$).

Also the findings indicated that 38% of the respondents were saving for no specific reason, 71% saved for purposes of entrepreneurial activities, 92% saved to be able to access loan while 50% saved to meet household expenses. Social economic development showed a significant relationship with savings ($r=0.461$, $p<0.01$). Regression analysis illustrated that when all the independent variables values are zero, then the women social economic development becomes 0.791. Holding other variables constant, a unit increase in the logarithm of microfinance credit would lead to a 0.102 increase in women social economic development, a unit increase in the logarithm of training would lead to a 0.156 increase in women social economic development, a unit increase in savings would lead to a 0.141 increase in women social economic development.

5.1 CONCLUSIONS

The study concluded that microfinance credit is a factor that could be exploited to enhance women social economic development in Rwanda. This would lead to women being involved in various aspects of decision making including major family decisions, purchase decisions and major economic decisions.

The study concluded that Tuba microfinance offers various training including training on loan use, entrepreneurial training, training on financial control and on saving, but member attendance to is low. Also training is likely to lead to improved livelihood of women, enable them to start small and medium enterprises, be able to borrowed loan from the microfinance as well as saving.

The study further concluded that through saving women are more likely to develop both economically and socially. Also it was concluded that majority of women saved their money for a specific reason. Entrepreneurial activities, access to loan and meeting household expenses are among the reasons why women save their money.

5.2 RECOMMENDATION

The study found out that most of women in the study area are illiterate, and this may imply that they lack skills on how to manage their finances and business activities. In this regards the study recommends that microfinance should hold regular trainings and encourage their members to attend. Also the trainings should be based on the needs of the people such that farmers should be trained on farming in order to boost the output.

Additionally, the study revealed that most women were not satisfied with the loan repayment period and this may hinder the rate at which women borrow loans. This may imply that most women might not have enough capital to start businesses or even to boost their ongoing entrepreneurial activities. In this regards the study recommends that microfinance institutions should allow borrowers ample time to settle their loans.

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