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RESEARCH ARTICLE

Factors Influencing Sustainable Economic Empowerment of Small-Scale Women Entrepreneurs Using a Local Government Women's Development Fund in Tanzania

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Abstract
The study assessed factors influencing sustainable empowerment of women small-scale entrepreneurs using the Women's Development Fund (WDF). It adopted the elements and factors for a sustainability framework to examine the contribution of WDF to women small-scale entrepreneurs' beneficiary groups. Qualitative and quantitative methods were used in a cross-sectional design to collect data meriting a complementary understanding of the study problem. Findings revealed low business performance among beneficiary groups due to gaps in the 4% allocation from Local Government Authorities (LGAs) for loans, delay of loan disbursement, inadequate entrepreneurship training to beneficiary groups, and limited supportive supervision to credit beneficiaries. Moreover, their business performance has also been affected by limited entrepreneurship capability and non-compliance with WDF guidelines, which increased loan defaults. This paper recommends a study to compare business performance between WDF groups with loans from other Microfinance Institutions (MFIs) for enhancing LGAs' management of empowerment programs.

Keywords:
empowerment, entrepreneurship, Women Development Fund

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Introduction

World-wide, repositioning economic productivity of women as individuals or in groups is considered an economic strategy to enhance their contribution to their family's and society's wellbeing (UN-Women's economic Empowerment report 2016). The concern on the predicament of women has attracted several policies to ensure equity and full participation of women in society for their socio-economic empowerment (Amos and Lutego, 2022). The women's empowerment policies are intended to raise the social and economic status of women. Specific to economic empowerment, the Women's Development Fund (WDF) was formulated globally, regionally, and in specific countries.

In Africa, the WDF has become one of the more useful financial voices for low-income women who can hardly access loans from financial institutions due to lack of typical forms of collateral (Buvinic & O'Donnell, 2016). In Kenya, the Women's Enterprise Fund (WEF) was introduced in 2007 with the principal objective of empowering women's economically (Adhiambo, 2014). WEF loans were channeled to women through financial intermediaries and directly through the Constituency Women Enterprise Scheme (CWES). Buvinic &Furst-Nichols, (2014) affirmed that loans and grants seem to be more effective when awarded to groups of women who engage in collective entrepreneurship activities. Groups with at least one member who is experienced in business enhances outcomes. This seems to suggest that access to loans like WDF is not a sufficient prerequisite for small-scale women entrepreneurs' (SSWE) activities to grow and thrive. Therefore, understanding potential beneficiaries' capability and experience in business is essential in devising appropriate interventions before providing loans, if empowerment is to be realized. In Zimbabwe, WDF improved the livelihoods of SSWE through initiation of income-generating projects. However, the major drawback was the small amount of the loan per beneficiary compared to the needs, and inadequate complementary initiatives, e.g., capacity building and market networking (Tshuma and Selome, 2014).

Like other countries, Tanzania launched WDF in 1993/1994 under the Exchequer and Audit Ordinance, Cap 439, number 21 of 1961 Cap 7(1) for the purpose of empowering women's economically through provision of soft loans (URT, 2019). The WDF was strategically formed to facilitate women's economic empowerment and augment the fight against income inequality and other challenges facing women in the family and society at large. Despite the government emphasis on economic empowerment, specifically of SSWE, competition over scarce financial resources has tended to stall WDF efforts. According to the 2003 Small and Medium Entrepreneurs (SMEs) policy of the United Republic of Tanzania (URT), SME refers to formalized undertakings engaging between five and 49 employees, or with capital investment from 5,000,000TZS to 200,000,000TZS, where SSWE fall within that range (URT, 2003).

One of the major constraints to effective economic empowerment of the SSWE through WDF is dependence on the 4% Local Government Authorities (LGAs) own-source contribution as the only source of fund for WDF in the context of dwindling LGAs' own-source revenue collection. A study by Bujune (2020) noted organizational reluctance to endorse the 4% of own-source revenue to the WDF scheme. One of the factors influencing this reluctance is competition over scarce resources in LGAs with low own-source revenue (Ngoyo, Lubuva &Einstern, 2015). This reluctance strains the WDF capacity to transact its activities with target beneficiaries, causing delays of loan disbursement, weak capacity building to beneficiary groups, and limited supportive supervision to loan beneficiaries. Despite the constraints, this study chose to take a bottom-up approach to examine the factors affecting economic empowerment of SSWE based on collective activities implemented by WDF beneficiaries.

A number of studies conducted on women's economic empowerment across countries posit persistence of gender inequality, with women dominating micro-entrepreneurial activities against small and medium entrepreneurial activities led by men (Majenga & Mashenene, 2014). This inequality could have been caused by several practices, as observed by Philipo (2022), on business experiences among women supported by WDF in Iringa Municipal Council in Tanzania. His study unveils low start-up capital, inadequate technical and managerial skills, lack of business premises, operating unregistered business activities, low savings, and poor record keeping of business activities as some of the constraints to SSWE activities.

To qualify the gender inequality concern, Mori (2014), focusing on business type as a constraint among SSWE in Tanzania, found that, most women entrepreneurs concentrate in informal, micro, low-growth, and low-profit activities, where entry barriers are low. Overall analyses of these studies from the Tanzanian perspective pose a question as to whether the constraint to economic empowerment is due to gender-based division of labor or the nature of loan beneficiary groups in terms of experiences and capability to undertake collective activities.

Experiences from other contexts (Buvinic & Furst-Nichols, 2014), reveal that, where businesses were owned by individual SSWE, the number of firms were on increase. However income and profit were not as bountiful as observed in Mongolia, Thailand, and Sri-Lanka. Contrary to this scenario, the study reports that, collective ownership of business seemed to yield more profit, especially where the level of education is higher than in groups with lower education level.

Tendai (2012) opined that equipping women in rural areas with entrepreneurial competences can be a wise move toward self-reliance. Similarly, Buvinic & O'Donnell (2016) affirmed that entrepreneurship training among SSWE enhances business knowledge which entails marketing, record-keeping, and financial planning among other skills to improve business practices, increase the rate of survival, and ultimately boost sales and profit. However, the training intervention needs to be availed at an appropriate time, and needs to be accompanied with follow-up to enhance application.

Overall empirical findings reveal the conditions of success for the WDF empowerment scheme to realize its goal of women's empowerment. Loan disbursement alone is not a reliable means to empower SSWE, given their limited knowledge and experiences in business and management of financial resources. Furthermore, appropriate training and follow-up is essential to strengthen group norms, organization, capability, and networking for capacity building on business and financial resources management.

The government of the United Republic of Tanzania recognizes the need to empower women, especially those working in informal sectors and who cannot meet the conditions for accessing loans from Microfinance Financial Institutions (MFIs). The introduction of WDF soft loans to women was considered a means for entrepreneurship empowerment among groups of women as a path to self-reliance.

The Bill & Melinda Gates Foundation, (2019) argued that there is a strong link between small-scale women's economic empowerment and foundational health outcomes. Although economic progress can improve the health status of women, it is also true that a country cannot sustainably develop if its women are left behind. Focusing on women in the provision of credit assistance can achieve more rapid pro-poor economic growth than gender-neutral policies.

Since the inception of WDF operations in 1994 in Tanzania, the contribution of the fund to SSWE seemed to be more of a financial supplement without considering the group merits to engage in collective entrepreneurship. This study explores the elements and factors that influence sustainability of collective activities done by SSWE through the WDF credit service. Thus, the paper assesses the extent to which the micro-credit from WDF has improved business performance of SSWE, while also exploring the factors influencing the sustainability of women's Income Generating Activities (IGAs) supported by WDF

Theoretical Framework

Sharma and Ohama (2007), in their Participatory Local Social Development (PLSD) model, espouse elements and factors for sustainability as pre-conditions for development and sustainability of collective activities like SSWE activities. The framework considers the necessity for ensuring a continuous balance between elements and factors for sustainability (Sharma and Ohama, 2007). In their proposition, elements consist of *Resources* (including financial-like funds from WDF, human-like supportive supervision, and expertise, among others); *Organization* (Women groups); Norms (constitution); and factors for sustainability such as *Capability* (knowledge, skills, and experience) and *Institutional Linkage* (support networks). Figure1 summarizes the elements and factors for sustainability used to examine collective activity of SSWE.

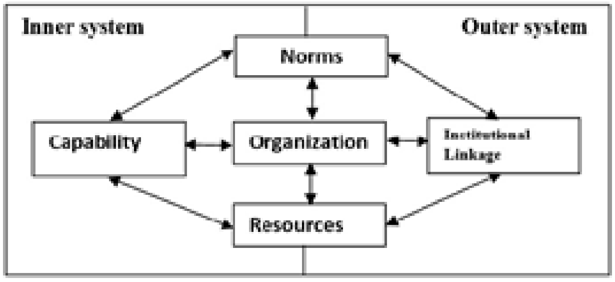

Figure 1. Elements and Factors for Sustainability

Source: Sharma & Ohama (2007; 145)

This paper adopts the Sharma & Ohama (2007) framework (Figure 1) to analyze the influence of norms, organization, resources, capability, and institutional linkages (networking) on the sustainability of women IGAs.

Norms: These consist of overt behavioral traits and rules and regulations as in group constitutions that hold the group together, and act as one of the bases for group turnaround in case of violation of what holds the group together. Organization: This consists of structures for duty transaction instituted and practiced within the group as a collective entity. It involves roles and responsibilities accorded to and accepted by all members as standard operation protocols.

Resources: This entails existing physical, human, financial, and material sources needed, utilized, and managed by the group to support group entrepreneurship. This is in line with Sharma and Ohama (2007) in that the three development elements need to balance for the group to thrive in collective activity. However, in situations where the group seeks financial resources, the supply of such resource (as in WDF) need to consider stability of norms and organization prior to resource supply. Therefore, in case of any shortfall in norms (both operational and cognizant), intervention needs to be made prior to resource supply -- in this case, WDF soft loans. With a balance of the three developmental elements, the group can effectively conduct operations, maintain institutional linkages, and streamline activities within the three development elements to promote sustainability of the group.

Capability among group members, as in WDF, consists of useful traits among members, including knowledge, skills, experiences, self-esteem, and risk-taking among other traits, that are accumulated through training or experiences of the best possible practice in collective entrepreneurship.

Institutional linkage: This consists of horizontal and vertical streams of support that can be utilized by the group as a source of experience, resources or expertise needed to enhance group entrepreneurship. These support is sourced from nearby catchment areas to the group, such as the suburb/street, village or ward actors. If the groups cannot satisfactorily meet the group needs in the nearby catchment area, the needs can be met through the support from outside the locality. For instance, a WDF beneficiary group engaging in poultry farming in village "XX" may need to link with a thriving poultry farming group in village "YY" for experience sharing on poultry farming (horizontal learning). On the other hand, the group in village "XX" may seek technical assistance from extension officers at Ward headquarters or a veterinary officer from the Council head office (vertical learning). Sharma and Ohama (2007) consider the nearby catchment area as an inner system, and the more distant catchments as an outer system.

In this paper, the elements and factors for sustainability are used as a lens through which WDF beneficiary SSWE activities can be assessed. Since access to WDF loans requires group formation among women beneficiary groups (URT, 2018), assessment on Resources, Organization, Norms, Capability and Institutional Linkage. as articulated by Sharma and Ohama (2007), is essential in understanding how the WDF beneficiary groups could collectively lead a sustainable entrepreneurship activity.

Study Methodology

Location

The study was conducted during 2020 in Dodoma City Council in central Tanzania which is one of the administrative units of Local Government with SSWE activities that received loans from WDF, thus, making it a data rich site (Creswell, 2012). The Dodoma City Council can be traced back to 1973 when it was declared the National Capital under Presidential Decree No. 320 of 1973. Dodoma City Council is located in the middle of the country. It is bordered by Chamwino District in the east and Bahi District in the west. It lies between Latitudes 6.00^0 and 6.30^0 South, and Longitude 35.30^0 and 36.02^0 East. It is 456 kms from Dar es Salaam and 426 kms from Arusha.

Study Objectives

The study was guided by the main objective which is to assess factors influencing sustainable empowerment of SSWE through the WDF. The main objective is supported by two sub-objectives:

To assess the extent to which the micro-credit from WDF has improved business performance of women small-scale entrepreneurs

To explore the factors influencing the sustainability of women's Income Generating Activities (IGAs) supported by WDF

Design and Methods

The study adopted a cross-sectional research design to assess factors influencing the contribution of WDF in enhancing economic empowerment among SSWE. The design was chosen because it allows data collection for multiple variables at a specific time without repetition (Machimu & Kayunze, 2019). The study used a questionnaire to collect numeric data, and conducted a case study to compile descriptive data. Qualitative methods include focus group discussion and document review (Creswell & Plano Clark, 2018). The choice of the LGAs was purposive based on the existence of WDF operations with ample information on the economic value to its beneficiaries.

Population and Sample

The unit of analysis was SSWE in Dodoma City Council, and the unit of observation was 14 women's groups, with a total of 300 SSWE. The sample size was calculated using the Yamane 1973 formula which prescribed a sample size of 75 small-scale women entrepreneurs (Bujune, 2020).

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = Sample size, N= Population size (300), 1= Constant, e = Level of precision (0.1)

By equating the values in the above formula, the sample size was estimated as follows:

Purposive sampling technique was adopted in selecting five (5) key informants (City Director, Economist, Community Development Officer, Treasurer, and WDF coordinator). Quantitative data were collected by three interviewers with 75 SSWE which benefited from WDF. Qualitative data was collected using key informant interviews. Researchers also conducted five focus group discussions in which each group had a total of five members who were group leaders representing SSWE. Documentary review was also done by reviewing Dodoma City Council financial reports, budget allocations, and loan repayment roaster for corroboration.

Data analysis

Quantitative data were coded and analyzed using descriptive statistics through IBM Statistical Package for Social Sciences (SPSS version 22) and Microsoft Excel. Qualitative strand involved verbatim transcription of audio data from the focus group discussions into Microsoft text editor. Transcripts were thoroughly reviewed to identify meaningful phrases relevant to the study objectives. Meaningful phrases were assigned code labels where codes communicating similar meaning were combined as segments used to identify emerging themes. Phrases and sentences that were relevant to each theme were identified as recommended by Cohen et al (2018).

Narrative analysis was used where researchers identified and enhanced relevant participants' expressions to support interpretation of findings.

Findings and Discussion

Resources (Loan Size)

Human and financial resources are essential for the takeoff of any intervention (Mwakisisya, 2020). There is a link between size of the resource, its utilization, and management. Findings from this study indicate that the largest amount of loan funds (resource) received was ten million (10,000,000 TZS) and the lowest was one million (1000, 000 TZS) as illustrated in Table 1

Table 1. Loan Amount Received by Beneficiary Groups from WDF

Frequencies n=78	Amount taken in TZS	Percentage
56	10,000,000	71.8
16	5,000,000	20.5
6	1,000,000	7.7

Source: Research findings, 2020

Based on Table 1 findings, the loan amount received is defined as a resource (Harma & Ohama 2007) by beneficiary groups, and this was a great boost to groups where investment was done collectively. However, the study found that some groups sub-divided the loans funds to individual members, which is contrary to WDF governing regulations. Thus, this practice affected the performance of SSWE since, in such cases, the individual loan was not sufficient for an entrepreneur to start a meaningful business or even to support an existing business.

Organization

As emphasized by Sharma and Ohama (2007) and similarly, Mwakisisya (2020), when people are capable of forming a social group or administrative unit in order to strengthen their self-help efforts, they form an organization. What binds the organization together is the purpose of its existence and the norms shared by its members. The organization becomes more effective when guided by strong norms. This was contrary to SSWE whose organization and norms were weak, since they only used the group as a platform to access funds, while they did not have any governing rules (operational or cognizant) for collective entrepreneurship activities as required by WDF. This affected their performance and sustainability because they resorted to implementing personal projects rather than the projects approved by the LGA. For example, the maximum number of members per group was 25, as in the "Family Friend group," and the minimum number of members was five, as found in Imani, Mnarani, Tuinuane, ushonaji, and

Lukundane women groups. Therefore, when the maximum amount of the loan of 10 million is equally shared among 25 members, each member received a maximum of TZS 400,000; when shared equally among the groups with five members, each member received two million TZS 2,000,000. Figure 3 illustrates the number and percentage of members per groups.

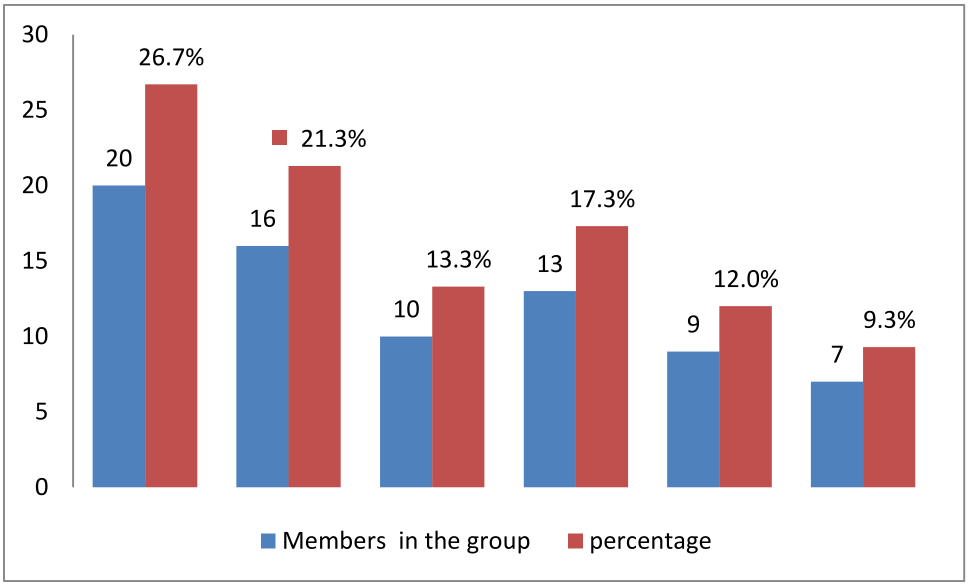

Figure 2. SSWE Members per Group

Furthermore, the study found that, out of 75 members, 26.7% were from groups with an average of 20 members, 21.3% from groups with 16 members, 13.3% from groups with members, 17.3% from groups with 13 members, 12% from groups with nine members, and 9.3% from groups with seven members. The dilution of the loan fund by dividing it among members equally meant that, in the largest groups, each member received a loan of 400,000TZs, and that was not enough to start or improve their enterprise. Without an incentive to invest collectively, the amount of loan (resource) acquired from WDF was insufficient to add value to women's economic empowerment. In light of elements and factors for sustainability (Sharma & Ohama, 2007), WDF credit intervention needs to include a thorough assessment of beneficiary groups in terms of norms, organizational strengths, capability and experience to utilize and manage financial resources before providing loan funds. Moreover, if the loans are to be disbursed to individuals through the umbrella group or the collective entity, then there needs to be strong supportive supervision to nurture beneficiaries' capability and experiences to manage the proposed business.

The study also found that the choice of business type, especially for start-ups, influenced the performance of the business. WDF guidelines offer a grace period of three months after which repayments commence (URT, 2018). However, the one-size-fits-all tendency of the grace period is not always appropriate in all cases. This is because some groups had activities which take longer than three months to generate revenue, e.g., cash crop cultivation and livestock raising. The program should consider a more flexible grace period. Apart from business type, what seemed to constrain performance of SSWE include small business size, which limited the size of profit and timely loan repayment. As noted, 5.1% of SSWE who received WDF loan were of this category. This affirms the findings by Mori (2014) who argued that the size of investment matters as far as the success of business is concerned. Moreover, 6.4% of the survey responses revealed the existence of an unfriendly business environment due to failure of their products to compete in the local markets due to limited quality, size and diversity, and lack of market information, as noted by 71.8% of responses. These results support findings by De Mel et al (2008) who argued that inadequate entrepreneurship training and limited supportive supervision constrains women micro-entrepreneurs to penetrate the market. On the other hand, 7.7% of SSWE reported that the amount of money given as loan funds was not enough to start a new business. These findings seemed to indicate low performance of business activities among SSWE is attributable to inadequate financial resources.

Capability Building

The study further investigated whether the WDF women beneficiary groups received any capacity building for effective management of their business (Table 2).

Table 2. Entrepreneurship Training

Extent	Number of Cases	Percentage
Strongly agree	51.0	65.4
Agree	19.0	24.4
Disagree	2.0	2.6
Strongly Disagree	3.0	3.8
Not sure	3.0	3.8
Total	78	100.0

Source: Research Findings, 2020

The findings indicate that the majority (65.4%) of SSWE strongly agreed and 24.4% agreed with receiving entrepreneurship training before acquiring loan. However, 3.8% were not sure, 2.6% disagreed, and 3.8% strongly disagreed. This shows that the training did not adequately deliver the required skills to all participants in order to manage their enterprise. These results were corroborated with findings from the focus group discussion (excerpt 2 A&B).

Excerpt 2 "A"

Chairperson 2:

“We did not get enough training to keep our business going...we just got a brief orientation in one day on how to use the loan ... we also faced a problem of commitment to business, as some group members used the loan to solve family issues rather than focusing on business.”

(Focus group discussion, Chang’ombe Ward, 22nd January 2020).

Excerpt 2 “B”

Secretary 1: “

“Waiting for the loan funds is a big problem and, when we get it, it is not enough. Thus, we were forced to do small activities only up to the size of our loan... if you invest a small amount, you will only gain a little profit. I wish there was material credit as well so that we could get an adequate amount of money and material to support our activities.”

(Focus Group discussion Nkuhungu Ward 17th January, 2020)

Excerpts 2 “A&B” exemplify the challenges faced by SSWE in accessing loan funds and using the loan sustainably. Training is an essential means for enriching entrepreneurship skills, but this was not thoroughly done nor was it continuous. Despite the high rating on training receive, the opposite seemed to be true as expressed in Excerpt 2 “A” which revealed unsatisfactory training. Moreover, use of loans to pay for family debts/needs appeals to multiple perspectives. First, it could mean economic hardships which forced the loan beneficiary to resort to addressing family issues at the expense of business. Second, it suggests that the group had not yet developed norms and organizational capability to invest collectively as recommended in elements and factors for sustainability. It seems that the groups were only formed as a means to acquire loans, which were then spent for individual needs. Argued in terms of elements and factors for sustainability, the whole process of loan processing and group scrutiny could be rated as a dimension of resource utilization, without considering the challenge of resource management which is a sustainable business trait as observed by Sharma & Ohama (2007:132).

Similarly, Excerpt 2 “B” offers an alternative option for loan funds by considering material resources relevant to the group needs, rather than just disbursing cash or both. While this suggestion is reasonable, it seems to be outside the existing WDF scheme which is designed to offer cash. Perhaps the need for material support should be considered by the program.

Norms

The framework for elements and factors for sustainability pinpoint norms as rules and regulations that govern the community or their interventions. Sustainability of projects and the entire community interventions, such as SSWE, depend on strong rules and regulations. These norms comprise both cognizant and operational dimensions. Cognizant norms are represented by collaboration, participation, and cooperation by community members (Sharma and Ohama 2007). Operational norms are functional rules, stipulated in the constitution of group or institution. Regulations for empowerment of Women, Youth and People with Disabilities (WYD) Section 8 (1) of 2019 assert that the optimum time for loan processing under the WDF scheme is three months (URT, 2019). Findings (Figure 3) reveal a dissimilar pattern of loan processing by LGA which interrupted beneficiaries' investment plans and business performance.

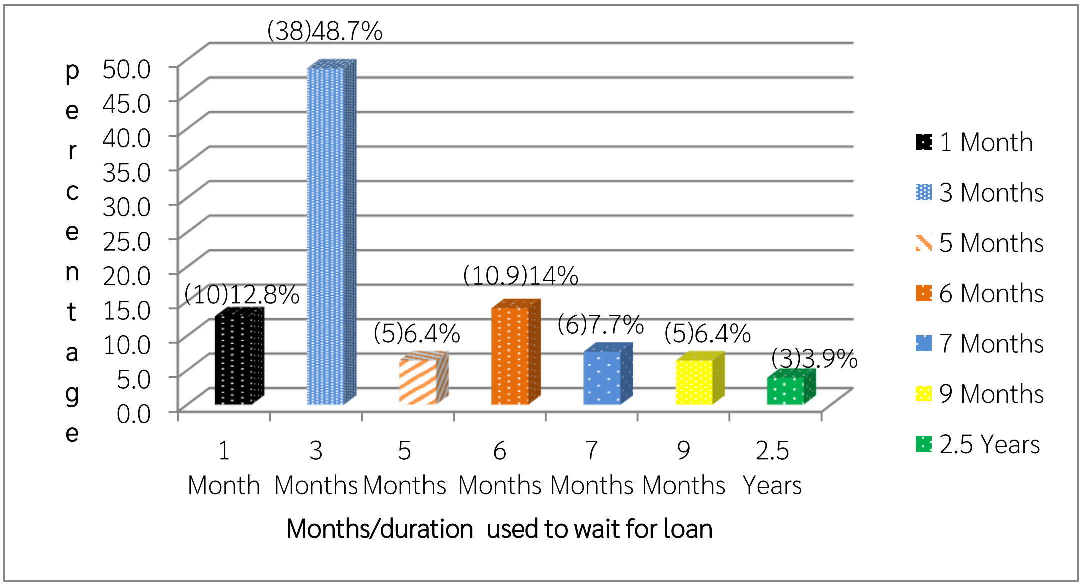

Figure 3. WDF Loan Processing Pattern Experienced by Women's Beneficiary Groups

The findings in Figure 3 reveal an irregular pattern of loan disbursement to women small-scale entrepreneurs. The shortest duration of one month accounts for ten respondents equivalent to (12.8%). Also 38 respondents (48.7%) experienced three months as per government guidelines. Furthermore five respondents (6.4%) received loan after five months, 11 respondents (14.1%) received a loan after six months, while six respondents (7.7%), experienced seven months, five respondents experienced nine months' duration to receive a loan, while 38 respondents (48.7%) received a loan after two and a half years.

This loan processing pattern is not reliable enough for SSWE who have limited alternative sources of loan funds. This pattern affects implementation of business activities where investment was intended to fund seasonal activities like crops cultivation or purchase of products urgently needed in the market. Similar findings are noted by Bujune (2020) in a study assessing the performance of WDF in Babati District Council in the Manyara region of Tanzania. What seemed to affect this loan scheme is inadequate liquidity due to limited revenue collection in some LGAs which limit commitment to disburse 4% of their own resources to WDF as recommended by the guidelines (URT, 2018). However, this should not be a license to delay loan processing, because business management entails the power to confer prompt feedback. Failure to consider prompt communication with beneficiary groups deprives groups of the right to relevant information for taking action, such as looking for other means of loan fund support.

Loan repayment behavior

To understand business performance among groups of women small-scale entrepreneurs, the researchers investigated loan repayment behavior. The findings seem to reveal a crux in loan repayment. Respondents' were asked a question, with response assigned a Likert's scale (5= strongly agree and 3= Neutral and 1 = strongly disagree). The question was whether every group member could repay the loan on monthly basis, with response shown in Table 3.

Table 3. Loan Repayment

Loan amount	Extent	Frequency	Percentage
10mil loan timely repaid	Strongly Disagree	17	65.4
10mil Loan timely repaid	Disagree	26	33.3
5mil Loan timely repaid	Strongly Disagree	9	11.5
5mil Loan timely repaid	Disagree	4	5.1
1mil Loan timely repaid	Strongly Disagree	1	1.2

Source: Research Findings, 2020

Out of 75 respondents (SSWE who received a loan worth TZS 10,000,000/=), 17 (65.4%) strongly disagreed that they timely repaid their loan, while 26 (33.3%) disagreed on the same. Nine (11.5%) members whose groups received a loan worth TZS 5,000,000/=, strongly disagreed, and four (5.1%) disagreed. Four (5.1%) members from groups that received a loan worth TZS 1,000,000/= strongly disagreed, while one (1.2%) disagreed. This is an indication that the credit scheme is not performing as intended, and it threatens the welfare of SSWE as well as the welfare of the WDF credit scheme due to late repayment resulting to nonperforming loans. The cause of this repayment behavior could be attributed to inadequate business skills among beneficiary members, e.g., the choice of business type relative to the size of the loan. This could also be due to the loan-only approach with limited interventions to enable women beneficiary groups to manage their business as recommended by Buvinic & Furst-Nichols (2014). Moreover, a total of 46 group members (58.9%) agreed, and four members (5.1%) were not sure whether every group member timely repaid their loan on a monthly basis.

Deviation from Norms

The revised WDF guidelines (URT, 2018), provide that loan funds for SSWE must be disbursed after thorough analysis and approval of business plans, with only the feasible business ideas to receive loans. However contrary to the guidelines, this study found that there was a mismatch between group business plans with what was actually implemented by individual group members. Women invested their loan funds (resources) in quite different ways (IGAs) from what the LGAs approved the group to do. This is deviation and lack of conformity to norms or agreed rules contradict the elements and factors for sustainability (Sharma and Ohama, 2007, as cited by Mwakisisya, 2020). They maintained that, for smooth operation and management of groups or community interventions, adherence to laid down rules is indispensable. Consequently, SSWE groups seemed to act as platforms for loan access and repayment while the implemented businesses is quite different from the original proposal. This can be one of the reasons for the increase of non-performing loans as revealed by Control and Auditor General (CAG) report 2018/2019 (URT, 2020).

On the other hand, beneficiary groups seemed to lack required experience and capability to engage in collective investment whereby the loan funds could be invested with adequate attention to the business plan as recommended by the WDF guidelines (URT, 2018). The review of the literature suggests that the loan as the only intervention restricts emerging micro-entrepreneurs (like WDF beneficiary groups) to a low profile in a competitive business environment. In other words, training and supportive supervision is needed in addition to the loan (De Mel et.al, 2012). The bottom line of limited management of loans is failure of LGAs to recover the loan from groups of SSWE. An indicator for this loan management lethargy is noted in the CAG report 2018/2019 (URT, 2020) which revealed that there was a failure of 111 LGAs to recover loan funds amounting TZS 13,794,359,981. Those funds were disbursed to groups of women, youth, and people with disabilities. This also limits the capacity of LGAs to support the target groups with soft loans and, consequently, a failure to realize the government's intention to empower SSWE among other groups. To provide a snapshot trend of LGAs loan recovery behavior based on CAG report, Figure 4 shows the percentages of unrecovered loans from beneficiary groups including women:

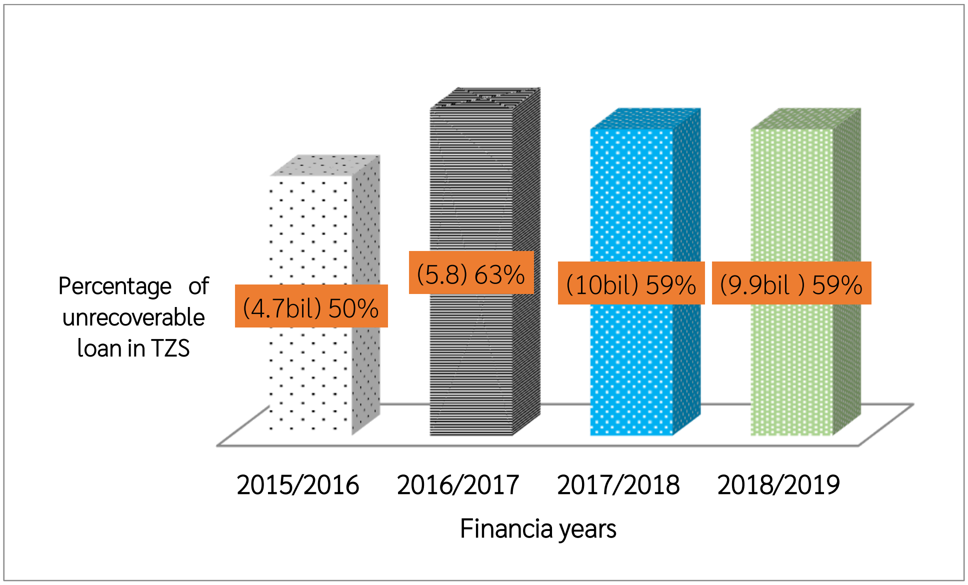

Figure 4. Trend of Unrecoverable Women and Youth Loans for Four Consecutive Years

Source: CAG Audit Report 2018/2019 - (URT 2020)

Findings in Figure 4, unveils the reality that some of the SSWE who obtained loans from WDF failed to repay their loan. The main reason is the selection of the wrong project, implementing individual projects rather than collective projects approved by the LGA, and lack of capacity and experience to implement and manage selected projects. This seems to suggest persistence of management lethargy in handling financial resources used as loans to SSWE among other beneficiary groups. The trend of non-performing loans undermines financial resource utilization with limited resource management for sustainable return on investment as recommended by Sharma & Ohama (2007).

LGA Oversight of WDF Norm/Regulations

The findings from the document analysis on WDF guidelines (URT 2019) and CAG reports (2020) affirm that each LGA is obliged to set aside 4% of their own resources to support WDF by (4% of own-source revenue collections, URT, 2019). To the contrary, the CAG report 2018/2019, revealed that, of 111 assessed LGAs (out of 185 LGAs), a sum of TZS 9,930,902,514/= were not allocated for WDF activities. This was contrary to Section 37A of Local Government Finances Act Cap 290 which requires LGAs to set aside 10% of their own revenue for women, youth and persons with disabilities (URT, 2019). These findings are consistent with the study by Bujune (2020) and seem to suggest that weakness in revenue base in the LGAs contributes to the failure of the government to realize the envisaged empowerment of SSWE among other groups.

Networking or Institutional Linkages

Sharma and Ohama (2007), considered institutional linkages as an alternative network of support for self-reliance of community groups like SSWE. Establishment of horizontal and vertical linkages with relevant sectors or organizations within or outside community is a key trait of effective groups. This enables the groups to access external support, including financial, technical, or moral support from other relevant organizations or institutions in addition to LGAs. This study found that SSWE rely solely on LGAs support, both financially and technically. This dependence threatens their sustainability since the LGAs cannot address all needs faced by every SSWE. The dependence limits the capacity of SSWE to become sustainable due to failure to tap alternative networks to meet their business needs.

Conclusions

Based on the findings, it is evident that SSWE could have benefited from WDF soft loans and could experience business undertakings using the loans. However, several constraints related to WDF and SSWE were found in this study. SSWE lack capacity to select appropriate income-generating activities (IGA). In addition, they have weak organizations (groups) and lack strong norms to manage collective action. Furthermore, SSWE breached the WDF rules and regulations by operating individual projects, i.e., distributing group loans to individual members rather than investing in a collective IGA approved by the LGA to receive the loan. Moreover, sustainability of SSWE is undermined by the limited amount financial resources invested in IGAs, especially where the group loan was distributed among individuals. Finally, the inability of LGAs to allocate 4% of their own-source revenue collections to support WDF limits the capacity of WDF to provide loans to SSWE, among other community groups.

Recommendations

Based on the findings, in order for WDF loans to empower small-scale women entrepreneurs, the researchers recommend the following:

LGAs need to disburse loans of appropriate size for an approved business plan by the loan committee without any reduction in order to enable SSWE to undertake a meaningful enterprise.

The government, through LGAs, needs to revise the guidelines and regulations governing the facilitation and management of WDF to allow flexibility of the grace period based on the nature of the project or business undertaken by beneficiary groups.

LGAs need to conduct an in-depth socio-context analysis prior to awarding a loan to beneficiary groups in order to understand the capability and experience of groups in collective investment for sustainability of the group and credit schemes.

The government needs to seek for alternative sources of funds to support the WDF scheme rather than relying solely on 10% of LGAs own-source revenue collections, since those are not stable for effective contribution to empowerment of women, youth, and people with disabilities.

LGAs should identify investment opportunities and initiate a bonding agreement with public microfinance organizations to provide loans and supportive supervision to SSWE to attract them to invest or who are already operating a collective IGA for strengthening the collective investment.

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