



Microcredit firms and their influence on women's entrepreneurship in Tanzania: The case of Mwanza City Council

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ABSTRACT

This study examined the impact of microfinance institutions on women's entrepreneurship development in Mwanza City Council, Tanzania. Specifically, it aimed to determine whether access to credit was an enabling factor for women entrepreneurs, investigated the economic growth effects of high microcredit loan interest rates, and explored the impact of microcredit loan recovery mechanisms on female entrepreneurs. According to Fermin's theory, this research employed an explanatory design with a quantitative approach. Up to 90 women microfinance clients participated in the study. Data were collected through questionnaires and analysed using SPSS software. Correlation analysis revealed a significant positive relationship between loan availability and women's entrepreneurship ($r = 0.790$, $p < 0.01$), while loan interest rate ($r = 0.326$, $p = 0.002$) and loan recovery mechanisms ($r = 0.315$, $p = 0.003$) showed slight positive correlations. Regression analysis indicated that when women's entrepreneurship was the dependent variable and loan availability the independent variable ($\beta = 0.712$, $p < 0.001$), there was a significant relationship. In contrast, loan interest rate ($\beta = -0.041$, $p = 0.509$) and loan recovery mechanisms ($\beta = 0.048$, $p = 0.416$) were not significant predictors. The model explained 62.77% of the variation in female entrepreneurship ($R^2 = 0.627$), and ANOVA confirmed that these results were statistically significant beyond chance ($F = 48.196$, $p < 0.001$). The findings underscore the importance of improving credit access and increasing women's participation in both government and microcredit programs to enhance transparency and support women's entrepreneurial success. The practical implication of this study is to influence the development of gender-inclusive credit policies in Tanzania. This could help eliminate business and income inequalities faced by women and strengthen gender-inclusive credit frameworks. The study also recommends implementing gender-sensitive credit policies with flexible collateral requirements, ensuring transparency through independent monitoring, and mandating women's representation in policymaking committees to promote gender equality and support women's entrepreneurship and participation in governance.

Keywords: Microcredit, Loan Interest, Loan Recovery, Loan Accessibility, Tanzania, Women Entrepreneurship

I. INTRODUCTION

Microcredit companies, or microfinance institutions (MFIs), have become the key agents for providing financial services to people who cannot get banking services from traditional banks, especially in countries like Tanzania, where access to credit still remains a huge barrier to entrepreneurship. Humans have relied on food and their own sweat to make ends meet. It's only recently that people at the very bottom were given credit other than what was left over from a meal. Microcredit, based on the model of the Grameen Bank developed by Muhammad Yunus in Bangladesh, extends finances to small-business owners who have low incomes (Hasan, 2010). This enables these shopkeepers to build up or extend their business endeavors, so they can start something of their own (Hasan, 2022). In Tanzania, women represent both far larger numbers (and ever-increasing proportions as well) of people needing this service. This is because they are currently caught up with problems relating to the system, which include limited collateral, discriminatory lending policies, and no admission to traditional financial markets (Mligo et al., 2025). Microcredit providers met these needs for credit in two ways. One was by offering loans, savings, and training programmes that were women-specific. This is not only to improve the financial literacy of women but also to help enhance management practices in small businesses. The result is better performance and sustainability overall (Alshagawi & Mabkhot, 2024). Microcredit programs typically do more than provide financial services; offering solutions to myriad problems faced by, for example, single mothers who cannot afford daycare during the day (Dunsch, 2022).

The basic goal of their organization is to incorporate capacity-building initiatives in marketing, finance, and entrepreneurship that can provide women with practical skills and the wherewithal to be active in household decision-making as well as community programming, and thus reshape gender relations. It works to enable people's liberation Supuk (2023). If nothing else, the success of microcredit in Bangladesh should have a lasting impact: it prompted similar



experiments in the United States, where community development financial institutions (CDFIs) provide microcredit to marginalized groups. In addition to helping them get money they otherwise wouldn't be able to access on their own, these institutions offer what Alexander has called "Lending Without Lines"—not only the capital but mentorship and connection opportunities so crucial for sustaining (Dunsch, 2022). In Africa, microcredit has become more and more popular in recent years. MFIs focus on women's financial inclusion and alleviation of poverty. Thus, soon the continent will have its Daccor Fairy Tale along with India's (Magufuli et al., 2024). A particularly vivid one is Tanzania, where microcredit companies have become plush replacements for traditional banks, catering to women's requirements. They appeal to two of her main constraints. In the process, these women are also being promoted towards a high degree of self-reliance and confidence Kimaro (2023).

The impact of microcredit is not uniform. Some women derogate themselves from the status quo by getting involved in family businesses and financing. In the Mwanza City Council area, women who are heavily dependent upon microcredit fail to extricate themselves from their predicament. In these circumstances, it is questionable how effective the MFIs are and what should be done by the Government to have them work (Karna, 2021). The International Fund for Agricultural Development (IFAD) observes that while women borrowing microcredit often see gradual progress to sustainable economic independence and social credit, these results do not always follow (Kimaro, 2023). A major obstacle is the requirement for collateral that makes many women ineligible, diffident, and despairing; while lending institutions are also known to discriminate against them as clients (Mrema & Kinyondo, 2024). Consequently, these businesses provide another path for women entrepreneurs, but not one that guarantees full support in getting past the structural obstacles they face. Furthermore, the effectiveness of the microlending industry in Tanzania is determined by a policy and regulation environment that governs financial institutions. While policies to promote financial inclusion stimulate the growth of MFIs, those in power do not always have adequate provisions for women (Kimaro, 2023) argues that suitable measures for women should be thought about including taking on collateral requirements and discriminatory practices, as well as designing regulations that are strategies used by the government to both expand access for all deserving borrowers while at the same time protecting against undue exploitation. The effect of microcredit in Mwanza on women's entrepreneurship must therefore be explored within a more comprehensive framework, as (Mberwa, 2024). has pointed out. Microcredit alone does not guarantee their empowerment, but it should form an integral part of broad-based development strategies that consider all aspects. In practical terms, this means MFIs should expand to include comprehensive programs that foster entrepreneurial resilience (Vossenber, 2023): training in financial management, marketing, and digital literacy, for instance, while collaborative relationships with government departments and NGOs can create supportive environments or networks that throw the gains of microcredit into sharper relief. Ultimately, microcredit firms in the Mwanza City Council are a significant support to women's entrepreneurship Supuk (2023). It provides financial services that traditional banks left out, but its impact has so far been uneven and conditional upon adjustments in the total system.

This research suggests that there is, in fact, a crucial need for target policies and interventions (Babeiya, 2024). Where women's special problems in obtaining finance are dealt with specifically, then enterprise will prosper, and women's economic empowerment will naturally follow. Gender equality, economic growth, and social development will all benefit from such an approach (Lubinza et al., 2024). By probing the role of microcredit in Mwanza, policymakers and those stakeholders concerned with development can formulate strategies to ensure the goals of microfinance come true; it becomes a vehicle for emancipation from poverty (Muhuthia, 2023). Loans given by microcredit make an initial breakthrough in women's lives. However, their real potential can be developed only if comprehensive contextual solutions are pursued as financial services and development projects are integrated in model endeavors that transcend convention and incorporate national development. Women entrepreneurs of Mwanza alike shall then succeed (Moh'd, 2023).

1.1 Research Questions

- i. How do the microcredit loan recovery mechanisms affect women's entrepreneurship development?
- ii. What is the effect of microcredit loan interest rates on entrepreneurship growth?
- iii. How does credit accessibility affect women's entrepreneurship operations?

II. LITERATURE REVIEW

2.1. Theoretical Review

2.1.1 Feminist Theory and Entrepreneurship

Feminist theory, a critical segment of social theory, provides a lens through which issues of political, social, and economic rights can be examined (Greer & Greene, 2000). It is particularly concerned with gender and class dynamics (Grosser & Moon, 2019). This puts into focus an aspect often overlooked in research on entrepreneurship, how our societal structures and norms serve to maintain the difference between men and women in economic placement.



Mutesi et al., (2025) argues that any methodology for studying women's entrepreneurship must take the dual nature of women entrepreneurs' professional and family lives into account, as the two are interconnected and form a network that brings together work with family and social relationships. This point emphasizes the interrelationship between their roles and responsibilities, which directly influences women's entrepreneurial experience.

Socio-liberal feminist theories establish as a norm that men and women differ in their economic success. This is often due to broader sociocultural factors rather than individual capabilities. Ward et al., (2019) found only marginal differences in male and female entrepreneurs' eagerness and educational levels, implying that gender-differentiated tendencies in entrepreneurship result from structural inequalities rather than from some intrinsic deficiency. This underscores the need to look at women entrepreneurs' experiences through a feminist lens that takes into account barriers.

Russell-Bennett and Dann (2000), employing a feminist perspective, investigated the learning experiences of business owners in Australia and discovered significant gender-based findings. Men were more likely to engage in industries traditionally associated with women, while women tended to engage in fewer diverse entrepreneurship experiences and limited involvement with multiple start-ups. Russell-Bennett also identified differences in learning style: women favored varied sources of learning, while men received more benefit from experiential learning following setbacks. These findings argue for a theoretical frame of thinking, one that integrates feminist theory with entrepreneurship and sees the particular problems and experiences women face within business environments.

A feminist geography perspective can add to this discussion by looking at how place *Ge* is a gendered phenomenon. The geographical context is a critical determinant of where entrepreneurial opportunities exist--indeed, gender-mediated relations and entrepreneurial activities are always embedded in specific social and economic conditions. The upshot is that women's ways of doing entrepreneurship depend on the context of where they are: local practices, resource systems, and institutional structures form what kind of enterprise women are allowed (or able) to set up (Metcalf et al., 2022).

Much of the feminist literature on entrepreneurship emphasizes the connections among social structures, business ownership, organizational composition, and enterprise types. Feminist scholars assert that women have historically been excluded from entrepreneurial activities, and they advocate for recognizing entrepreneurship as a gendered practice. This involves examining how societal norms and organizational structures foster or hinder women's participation in the entrepreneurial ecosystem. Vossenber (2023) identifies financial exclusion as a gendered issue, noting that inadequate capacity in maintaining robust accounting systems within microcredit organizations poses risks such as delinquency and credit defaults. Many microcredit firms lack competent staff for accounting functions, largely due to fears of incurring high administrative costs, which negatively impacts their overall revenue and effectiveness.

2.1.2 Financial Exclusion and Gender

It's not just an economic issue; financial exclusion is also inseparably linked with gender dynamics. For example, women often face specific barriers in accessing finance, such as social prejudice, lack of collateral requirements, and financial illiteracy due to limited education opportunities. Discriminatory lending policy against females only serves to perpetuate these problems (Demirgüç-Kunt et al., 2013). These obstacles prevent women from obtaining credit and keep their business aspirations small, making it virtually impossible to break a cycle of disempowerment in which they are effectively excluded from the economic mainstream altogether. The gendered nature of financial exclusion is reflected in several ways. For example, women have far fewer resources, such as credit records or collateral assets, and face distinct obstacles in securing traditional loans. Thus, they are particularly hard hit when it comes time to put up money for a business start-up (Moh'd, 2023).

Moreover, financial institutions themselves may harbor a systematic prejudice against women and make their way manifest in the form of more rigorous lending conditions for female clients. Finally, as alluded to in earlier discussion points on microcredit's equity impact, the design of financial products often fails to take women's unique circumstances into account, for example, juggling competing professional obligations with those of a mother or wife at home (Mberwa, 2024). In this research, the aim is to uncover the systemic obstacles women encounter during their business endeavors by putting this situation in a framework of feminist thought. Viewing financial exclusion as gender minus discriminations which burden women fills an important conceptual gap. By focusing on women entrepreneurs, understanding how financial exclusion works among them can be a rational basis for policy-making and intervention Mrindoko and Pastory (2022). That way, finance systems become fairer to female entrepreneurs; micro-credit programs and new financial services contribute meaningfully towards women's empowerment if done properly, to reduce poverty and facilitate inclusive economic development. Feminist theory will be the theoretical framework from which to look at women's entrepreneurship in Mwanza. This approach should help clarify where and how the micro-credit companies are part of the problem, rather than the solution (Tariq & Bhat, 2020).



2.2 Empirical Review

2.2.1 Effects of Microcredit Loan Recovery Mechanisms on Women's Entrepreneurship Development

A detailed analysis of these studies provides a more complete picture of the relationship between microcredit and business development, which includes some understanding regarding how MFIs have fared in helping entrepreneurs, as well as the remaining difficulties these institutions face. A comparison of these findings shows regular patterns, a few contradictions, and a sum of contextual information that is applicable specifically to Tanzania. For example, Mohamed (2024) found that it did not improve loan recovery rates, in contrast to their expectation of homogeneous risk exposure within lending groups; however, social cohesion significantly enhanced loan recovery performance. This stands in contrast to the usual assumption that if the borrowers are similar, their default rate should be low. Instead, it suggests that social and relational dynamics within a group are more important than risk homogeneity itself. In addition, broader evidence provided by Ademola (2024) stressed how important social cohesion and training are to better one's own repayment performance while reducing the overall risks in group lending.

2.2.2 Effect of Microcredit Loan Interest Rates on Entrepreneurship Growth

Similarly, yet another recurring theme involves the challenge posed by high interest rates. Gayatri (2021) points out that MFIs are offered little chance to secure capital at an acceptable cost from unaided external sources; (Muhuthia, 2023) suggested that the government intervene so as to lower loan rates for MFIs. Against this background, (Mrindoko & Pastory, 2022) must have found that in rural Tanzania, MFIs are short of capital., their own savings are little, and staff are inexperienced – quite otherwise, how can they offer services at an affordable price and no substitute for them economically either (Lubinz et al., 2024). Indeed, a contradiction surrounds the question of whether similar risk exposure among borrowers within lending groups can effectively improve loan recovery rates. They found that it did not improve loan recovery rates, in contrast to their expectation of homogeneous risk exposure within lending groups; however, social cohesion significantly enhanced loan recovery performance.

2.2.3 Effect of Credit Accessibility on Women's Entrepreneurship Operations

Several studies demonstrate in a consistent way that credit availability raises entrepreneurial output. For example, Emin and James (2021) found that businesses turned in higher returns when granted credit. At the same time, with the help of business training and advice, these levels for their enterprises were lifted even further. This is in line with the broader evidence provided (Lubinz et al., 2024) who again stressed how important social cohesion and training are to better one's own repayment performance while reducing the overall risks in group lending.

The Tanzanian context has its unique challenges, which add to the difficulties faced by all MFIs. In the eyes of Mrindoko and Pastory (2022) Limitations like aligning small client bases and low saving capacities, plus young, inexperienced employees, ruin opportunities for efficient service delivery. Nonperformance can be defined as hearing yet refusal to accept a loan. SACCOS have been unable to establish sound accounting systems. This creates conditions for default and symbolizes a deeper crisis in institutional capacity. Karna (2021) bankrolled this finding. Credit availability is important, with firms receiving loans and training being prone to do significantly better than those without access to finance. But this advantage can be highly compromised by infrastructure difficulties, such as excessive transport fees (Islam, 2022): transaction costs during credit acquisition and distribution are thereby augmented. The evidence shows that credit access and training can heighten entrepreneurial performance. But systemic constraints like high interest rates, poor infrastructure, and poor institutional capacity also limit the effect of microcredit. Little consensus is achieved on issues regarding the method of repayment performance, whether social solidarity or risk homogeneity guarantees success (Mwacha et al., 2026).

Moreover, in institutional capacity, it has already been pointed out that financial transparency indexes obtained in settings of abundant resources may not have any relevance in resource-poor environments. Comparative analysis demonstrates that while microcredit potentially makes women entrepreneurs more successful and improves the performance of their businesses, the results of this success are conditioned by various strongly emergent circumstances (URT, 2025). In Tanzania, where it appears that the structural weaknesses of MFIs and SACCOS in particular, as well as high transaction costs plus a poor institutional capacity, serve to dilute the benefits of microfinance, this result is significant. Meeting these challenges requires an intervention that is tailored to fit the circumstances, including governmental promotion of lower interest rates, capacity-building for MFIs, and adjustments in infrastructure to reduce transaction costs (Mwacha et al., 2026).

III. METHODOLOGY

An explanatory research design was employed in the study to model the impact of a microcredit firm on entrepreneurial development under a general framework; only the sample was selected purposively to cover the blank. The sample included 80 female employees from microcredit firms or companies, and entrepreneurs based in Beijing



who are their loan beneficiaries. A well-structured questionnaire was used to collect both qualitative and quantitative primary data. Data was solely from written records and was analyzed through SPSS software, and regression models were sought. A pilot test was carried out to check the internal consistency of the measurement. Reliability tests the internal consistency of the items in a scale and ensures that they all measure the same construct. The reliability of the measurement instrument was checked using Cronbach's alpha in SPSS 26. Known-range reliability coefficients, from 0.00 to 1.00, show that higher coefficients are more reliable (Blumberg et al., 2014). As can be seen from Table 1, all latent variables have Cronbach's alpha values exceeding 0.7, which surpasses the 0.7 minimum level required.

This research was purely a social survey and did not carry out any experimental work on human subjects. Therefore, it was necessary to obtain no more than the permission of the respondents. The purpose of the study was explained to all participants, and they were asked to sign a verbal consent before filling out questionnaires. A code was put at the top of each form according to each person's identification, rather than recording names, ensuring the confidentiality of information provided.

IV. FINDINGS & DISCUSSION

4.1 Findings

The findings of this study provide critical insights into the influence of microcredit firms on women's entrepreneurship development in Mwanza City Council. The response rate was adequate, with questionnaires distributed to both women entrepreneurs and microcredit firm operators, ensuring that perspectives from both sides of the financial relationship were captured.

Table 1

Reliability Statistics

Cronbach's Alpha	N of Items
.769	4

The Table 1 displayed the reliability of instrument employed in this study to measure internal consistency and stability, the alpha value that we obtained was 0.769, which indicates that this instrument performed very well for detecting the various variables or concepts of our study, following those procedures When a survey is both internally consistent and reliable it strengthens whatever results come out and gives us more confidence in any generalizations made.

Table 2

Descriptive Statistics Table

	Mean	Std. Deviation	N
Women's engagement in entrepreneurship	4.12	.668	90
Loan interest rate	3.61	.944	90
Loan recovery mechanisms	3.63	.965	90
Loan accessibility	4.11	.741	90

The Descriptive statistics Table 2 revealed income levels at almost all socio-economic strata for both men and women. Participation as entrepreneurs and accessibility to loans were described as "High" (average value 4.12), which suggests micro-credit companies have done a great deal to promote women's participation in entrepreneurship. That conforms with the argument advanced by Mrindoko and Pastory (2022) that micro-credit makes it possible for women to set themselves free at last. Interest rates (mean = 3.61) and recovery plans for loan defaults (mean = 3.63) were all given middling scores. Although these factors are important, they might pose a hindrance to women entrepreneurs. Loan interest rates (mean = 3.61) and loan recovery mechanisms (mean = 3.63) were moderately assessed. The very high mean values obtained for loan availability and participation again suggest that women recognize microcredit as imperative to hitch their star onto entrepreneurship, which is in line with the findings of Alshagawi and Mabkhot (2024).



Table 3
Pearson Correlation Matrix

	LIR	LRM	LA	WEE
Loan interest rate (LIR)	1	.618**	.432**	.326**
		.000	.000	.002
	90	90	90	90
Loan recovery mechanisms (LRM)	.618**	1	.356**	.315**
	.000		.001	.003
	90	90	90	90
Loan accessibility (LA)	.432**	.356**	1	.790**
	.000	.001		.000
	90	90	90	90
Women's engagement in entrepreneurship (WEE)	.326**	.315**	.790**	1
	.002	.003	.000	
	90	90	90	90

These findings are further confirmed by the correlation analysis in Table 3. For instance, loan accessibility showed a strong positive correlation ($r = 0.790$, $p < 0.01$) with women’s participation in entrepreneurship. This is consistent with Nzilano and Magoti (2025) who stressed the necessity of credit accessibility in building women’s economic independence and power. Loan interest rates also showed a positive correlation ($r = 0.326$, $p < 0.01$), although weaker, indicating that interest rates likewise exert a major impact on entrepreneurship. Loan recovery mechanisms likewise exhibited a positive correlation ($r = 0.315$, $p < 0.01$), meaning that the arrangements for repayment affect women’s entrepreneurial prospects. These results are confirmed by Karna (2021), who understood that repayment mechanisms can either help or hinder women’s ability to sustain their businesses, depending on how they are structured.

Table 4
Regression Model Summary

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate	Durbin-Watson
1	.792 ^a	0.627	0.614	0.415	1.656

a. Predictors: (Constant), Loan accessibility, Loan recovery mechanism, Loan interest rate
 b. Dependent Variable: Women's Engagement in Entrepreneurship

The regression model summary in Table 4 shows an R-square value of 0.627, meaning that 62.7% this variation in women’s entrepreneurship engagement can be explained by Loan accessibility, loan interest rate, and loan repayment (recovery) mechanism. Similarly, this is a strong explanatory power of the model, which signals the importance of these financial variables in shaping women's entrepreneurship. The Durbin -Watson statistics of 1.656 suggest that there was no serious autocorrelation problem; hence the model fits the study. The findings align with (Dunsch, 2022), who stresses that financial variables are essential determinants of entrepreneurial success among women.

Table 6
Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.866	3	8.289	48.196	.000 ^b
	Residual	14.790	86	.172		
	Total	39.656	89			

a. Dependent Variable: Women's Engagement in Entrepreneurship
 b. Predictors: (Constant), Loan accessibility, Loan recovery mechanism, Loan interest rate

Table 6 shows that the ANOVA results indicate the regression model is significant ($F = 48.196$, $p < 0.01$), indicating that the predictors together have a significant impact on women’s entrepreneurship. This leads to reinforcement of the finding that micro-finance institutions play an essential role in shaping the outcomes of Mwanza City Council's women entrepreneurs. In general., the results show that credit accessibility is the determining factor influencing women's entrepreneurship, while levels of interest and methods of repayment also play a significant but lesser part. It is suggested that microfinance firms should take accessibility as their first priority: reduce administrative procedures, streamline loan applications, and provide flexible repayment methods for the investors, while governments, on the other hand, must control loan interest rates in order to keep them within an affordable range for female



entrepreneurs. In doing so, they will maximize the benefits derived from microfinance. This study adds to existing research by offering evidence that is ‘on the ground’ in Nzilano and Magoti (2025). It supports the idea that microfinance can give women a degree of economic independence; however, women must not be caught up in unproportional or constricted working environments. In other words, the work practices of the current times should be improved. The study indicated that microfinance institutions exert a significant impact on women’s entrepreneurship development in Mwanza City Council, with accessibility being the main force. The opportunity for further development of this study is to elaborate on the key findings and especially apply what one has learnt from them with the loan interest rate command management structure and so on. These findings stress the need for a two-pronged approach: microfinance firms should try to reduce administrative barriers and simplify loan applications, while interest rates need to be carefully adjusted to ensure that they are affordable for women entrepreneurs, and introduce reasonable repayment mechanisms. Only in this way can microcredit provide benefits to women entrepreneurs and bring poverty alleviation to the whole region. This study fills a gap in the existing literature on microfinance funding for women entrepreneurs from Mwanza. It might empower them economically, but it has to be structured with great care if it is not to increase inequality among people (Lubinza et al., 2024).

Table 4*Regression Results*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.171	.263		4.449	.000		
	Loan interest rate	-.041	.062	-.058	-.663	.509	.566	1.766
	Loan recovery mechanisms	.048	.058	.069	.817	.416	.608	1.645
	Loan accessibility	.712	.066	.790	10.740	.000	.801	1.249

The regression analysis in Table 4 gives us a more detailed picture of how these variables work in combination. The constant term, at 1.171, reveals that even if loan accessibility, interest rates of loans, and payment terms have no effect, micro-credit institutions themselves still produce good results in women's business activities. However, it was loan accessibility that stood out as most significant and influential. Its coefficient is 0.712, which means if you increase it by one unit, there's a substantial rise for women entrepreneurs. This highlights the importance of access. Concerning loan-related interest rates, they had a negative coefficient (-0.041). This suggests that for setting up your own business venture as a woman to become popular, higher loan rates are a disadvantageous incentive. It was supported in Tariq and Bhat (2020) and also by findings elsewhere, such as no amount of microcredit helps when you suddenly need to find thousands for interest at 4%. Loan recovery formulas had a positive but slight coefficient (0.048), suggesting that the design of the repayment system is important for promoting entrepreneurs; however, this effect is not as significant as accessibility.

V. CONCLUSION & RECOMMENDATION

5.1 Conclusion

The study of women entrepreneurs has found that they are faced with heavy financial burdens. The statistical evidence showed that taking out loans is difficult for a great number of them. And when loans are extended, the amounts often just fail to meet business ingredient-scribing needs at all. In sum, women's businesses could offer remarkably diverse cuisine options but remained unsuccessful due to repayment procedures being regarded as a complexity ding on top of that. Attempts to change these problems, such as holding back interest rates, people have proposed savings bank accounts with interest payments largely very advantageous to the savings bank. At this practical level, it is cash-strapped microcredit institutions that stand to derive gains. Ultimately, interest payments along with recovery charges cost the institutions more money, so one has to question their worth for clients. In addition to loans, microcredit institutions also offer women entrepreneurs’ savings services, which clients believe are inadequate. They say that dealing with such things as deposits and withdrawals is difficult. But the fact that interest rates on savings accounts are very low does not give women any incentive to save regularly. And making savings mandatory or by certain times has been, of itself, unsuccessful in changing women's saving habits. Therefore, those findings have increased urgency for customized financial plans targeted at women entrepreneurs. Without such changes, microcredit systems are likely to continue promoting financial exclusion as opposed to relieving it.



5.2 Recommendations

It is suggested in this report that developing women entrepreneurs will need a holistic effort encompassing teaching them new skills, helping with money, and creating opportunities. To begin, the state must make educating women a priority, ensuring that all women, even those without formal approval, complete at least the first eight years of primary school, since such an education is basic and necessary for them to be successful in owning or managing a business. Second, as microfinance institutions are often women's only source of funds at the lowest socio-economic levels, government departments must formulate policies that encourage institutional financial institutions to provide more services to women entrepreneurs; in this way, both credits can be expanded and financial products tailored specifically to their needs. Third, community organizations must take an active role in their own efforts to enhance the financial literacy and business management capabilities of their members. Microfinance institutions; the initiative for the entire process cannot be left entirely up to local organizations that promote a culture of savings, provide resilience training for entrepreneurs, while also encouraging collective support structures.

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