MICRO-CREDIT SERVICE PROVISIONS AND URBAN WOMEN'S ECONOMIC WELL-BEING: A CASE STUDY OF MAKINDYE DIVISION KAMPALA DISTRICT, UGANDA

BY

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DECLARATION

I **Benbela Bashir**, a student of Kampala International University, pursuing abachelor's degree of arts in economics declare that this piece of work is my own original study and has not been submitted to any other university for the award of degree.

Signature.....

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Date.....22nd/10/2015.....

APPROVAL

This is to certify that this research report has been done under my supervision and it's therefore ready for submission and examination as the university supervisor.

Signature.....

Ms. Nakawungu Faridah

Date.24/6/2025.....

DEDICATION

I dedicate this report tomy parents and all my friends who have made this endeavor an accomplishment.

LIST OF ACCRONYMS

ASA	:	Activist for Social Alternatives
BRI	:	Bank Rakyat Indonesia
BS	:	Banco So
GB	:	Grameen Bank
IRAs	:	Individual Retirement Accounts
MDIs	:	Micro Credit Deposit Taking Intuitions
MFIs	:	Microfinance institutions
MOFPED	:	Ministry of Finance Planning and Economic Development
NGOs	:	Non-Governmental Organizations
PEAP	:	Poverty Eradication Action Plan
ROSCAs	:	Rotating Savings and Credit Association
SMEs	:	Small and Medium-sized Enterprises
UNDP	:	United Nations Development programme
VSLA	:	Village Savings and Loan Association

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ABSTRACT

The main purpose of the study was to investigate the relationship between microcredit services and economic wellbeing of women in Makindye Division. The study was guided by three objectives; (1) finding out the level of microcredit services, (2) finding out the level of economic wellbeing and (3) finding out the relationship between microcredit services and economic wellbeing of women in Makindye Division. The study involved quantitative approach specifically the descriptive correlational study design. The target population of the study was 100 women out of which a sample of 80 women were selected using simple random sampling. Closed ended questionnaires were used to assess the variables under study. The findings of the study indicated that the level of microcredit services among women in Makindye Division is low as evidenced by the mean of 2.32. More so the study findings also revealed that the level of economic wellbeing among women is also still low as shown by the mean of 2.18. The study also found a weak positive relationship between microcredit services and economic wellbeing among women in Makindye division as shown by the Pearson correlation coefficient of 0.329. The study therefore concluded that the level of microcredit services and economic wellbeing is low. Consequently recommended government to derive policy frameworks that would favor women to improve their economic wellbeing through credit access and community extension services.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, statement of the problem, purpose and objectives of the study, research questions, hypothesis, the scope of the study, significance/justifications of the study and conceptual framework.

1 .2 Background of the Study

Micro credit, in the sense of small loans to the poor, is of ancient origin in India. Traders and moneylenders traditionally provided credit to the rural poor, usually at high rates of interest. This led to considerable hardship and impoverishment of borrowers, including undesirable and illegal practices like bonded labor. Microfinance today does not include such exploitative practices. It is lending to the poor at reasonable but sustainable rates (World Bank 2000). Microfinance provides an important way to balance the outreach among the rural poor while keeping the cost of lending low. The costs of credit risk assessment and monitoring can be reduced substantially and this in turn will help the banks to actually reach out to a large number of truly poor households without incurring heavy transactional expenses. Credit is available for women through a plethora of schemes but there are still bottlenecks and gaps (ibid).

Numerous statistics show that even during the years of economic crisis and recession, the one robust sector providing economic growth, increased productivity and employment has been that of Small and Medium-sized Enterprises(SMEs) (UNDP, 2001). What is less known is that in many countries on an average up to 40 percent to 50 percent of such enterprises are owned and run by women, women who are actual or potential owners of trademarks, service marks, trade name as well as of industrial designs, patents and copyright (UNDP, 2001). Women seeking to generate income set up and develop a business. These women usually operate in micro Small and Medium-sized Enterprises (micro SMEs) and Small and Medium-sized Enterprises (SMEs)

(Ditcher and Harper (2007). They are the driving force of most economies with a proven capacity to innovate and to generate new ideas and technologies. This could be precisely the reason why the micro credit services are targeting the women.

Microcredit is the extension of very small loans (microloans) to impoverished borrowers who typically lack collateral, steady employment and a verifiable credit history. Lidgerwood and White (2006). It is designed not only to support entrepreneurship and alleviate poverty, but also in many cases to empower the poor and uplift entire communities by extension, (Gulli, 1998). In many communities worldwide, in developed and developing nations alike, women lack the highly stable employment histories that traditional lenders tend to require (Gert, 2004).

Time has come to recognize microcredit as a powerful tool in the struggle to end poverty and dependence. We haveassembled to launch a global movement to reach 100 million of the world's poorest families, with credit for self-employment and other financial and business services by the year 2005 (Microcredit Summit, 2004).

However, findings from various studies on the impact of provision of credit to women economic status are mixed, with some studies finding a positive impact, while others findingnone. Goetz and Gupta (1994) as well as Ackerly (1995) point out that provision of microfinance has a negative impact on improving women economic wellbeing.

1.3 Statement of the problem

Uganda and Africa at large has been characterized by segregation of women as far as historical records. This has for years made them a disadvantaged class in society. Economically, women have been sidelined from beneficial economic activity and their Women are specifically being targeted in most microcredit provisions because they have been left out by the traditional banking system since in most cases they lack collateral and credible business history and also because in many societies, women are not allowed to own property. Despite the efforts put in to uplift the standard of women and the girl child through emancipation of women through awareness and capacity building plus gender equality, the performance of women in economic activity has substantially remained low compared to their male counterparts, especially in the field of economics and business. According to Connell (2004), microcredit services should improve economic wellbeing of women through a series of interlinked and mutually reinforcing

virtuous spirals like; savings and credit provision which leads to an increase in incomes, increase in gender relations leading to social and political empowerment. Despite of the above this has not been visible on the ground to work for the majority poor women.

Therefore, this study sought to investigate the relationship between micro-credit services and their contributions to economic wellbeing of urban poor women who access micro-credit loans from MFIs in Kampala District.

1.4 Purpose of the study

The main purpose of this study was to examine the impact of microcredit services on economic wellbeing of urban women in Kampala District, Uganda

1.5 Specific objectives of the study

The study was guided by the following objectives:

i. To find out the level of micro-credit service provisions in Uganda.
ii. To find out the level of economic wellbeing of urban women in Uganda.
iii. To find out the relationship between micro-credit service provision and economic wellbeing of urban women in Uganda.

1.6 Research questions

i. What is the level of micro-credit service provisions in Uganda?
ii. What is the level of economic wellbeing for urban women in Uganda?
iii. What is the relationship between micro-credit service provisions in Uganda?

1.7 Research Hypothesis

The study was driven by the following Research Hypotheses:

i. H_0: There is no relationship between micro-credit services and economic well-being of women in Kampala.
ii. H_1: There is a strong relationship between micro-credit services and economic well-being of women on Kampala.

1.8 Scope of the Study

1.8.1 Geographical Scope

The study was conducted in Makindye Division Kampala District, which covers an area of 14,489 acres with an estimated population of 301,090 people (2014 Population and Housing Census). However lacks adequate resources for appropriate service delivery for its generally poor population.

1.8.2 Content scope

The study looked at the impact of microcredit on service provisions and urban women's economic wellbeing. The study aimed at finding out the level of microcredit service provisions, finding out the level of economic wellbeing of urban women, and finding out the relationship between microcredit services provisions and economic wellbeing of urban women in Makindye Division.

1.8.3 Time scope

This study investigated literature related to credit accessibility and women economic wellbeing in the last 5 years (2010-2015). This time scope was considered long enough to establish the relationship between the variables under study. However, the study is to be carried out between July 2015 and September 2015.

1.9. Significance

The findings from the study would inform policy makers on the link between microcredit and women economic wellbeing and therefore guide them in making informed policies, decisions and interventions in this regard. The findings of the research would also be useful to non-government organizations (NGOs) that are planning to implement microcredit outreaches to the local communities in Kampala through what is commonly known as Village Savings and Loan Association (VSLA).

Furthermore, this study would enable the researcher to attain a bachelor's degree of Arts in Economics.

Future researchers might also use the results of this study to carry out a related study.

CHAPTER TWO:

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher presented the theory that underpinned the study. More so, the conceptual frame work of the study was presented, a review of related literature and definition of key terms.

2.2 Theoretical Perspective

This research work was based on the theory of **outreach and sustainability**, as developed by Yaron (1994). According to Yaron (1994), outreach and sustainability are the key measures that microfinance as a toll of social development depends on for social-economic transformation. The theory studies the conditions that are needed by a fruitful credit system and the role of credit towards welfare of an individual over lifetime.

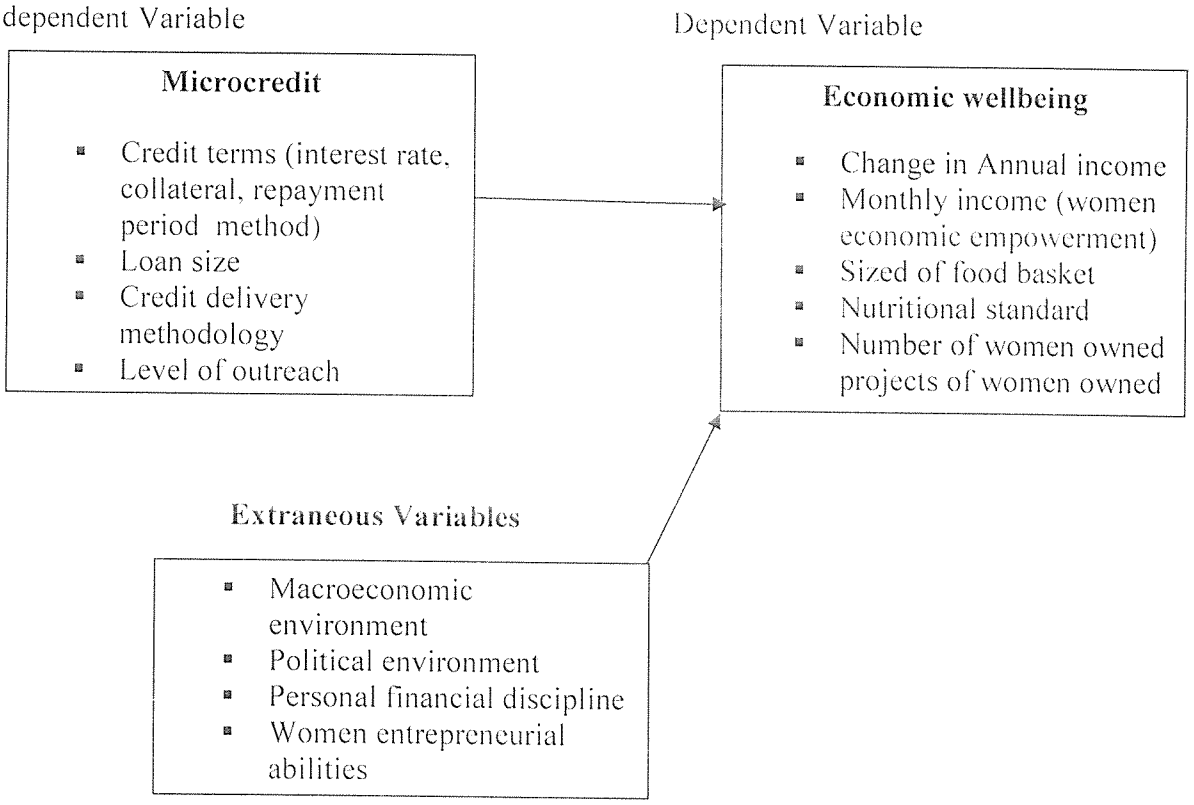
The theory defines outreach as the social value of the output of a microfinance organization in terms of depth, worth to users, cost to users, breadth, depth length and scope. Outreach is often peroxided by the sex, or poverty of the borrowers, the size of the loan, the interest rates borne by the borrowers, the number of borrowers and the financial or organizational strength of the lender and the variety of the credit facilities offered, including deposit.

The theory defines depth as the value that society attributes to the net benefit that society gains from the use of microcredit by a given borrower. Because society places more weight on the poor than the rich, poverty is a good proxy for depth. For example society most likely values gains from a small loan for a poor woman than a rich man. In principle, a complete evaluation would use cost-benefit analysis to compare social value with social cost in general equilibrium. In practice, it is so expensive to measure social value and social cost that almost talk proceeds in terms of outreach and sustainability in partial equilibrium (Sergio et al., 1995).

2.3 Conceptual Framework

Figure 2.3 Conceptual frame work

The Figure bellow presents the conceptual frame of the study. It shows the interconnection between the dependent variable and the independent variable of the study.



Source: Researcher 2015

In this study, microcredit accessibility was the independent variable which according to the framework was conceptualized as credit terms (Interest rate, repayment period, and collateral), Credit size, and Credit delivery methodology, while women economic welfare constituted the dependent variable. The dependent variable was measured in terms (Change in Level of annual income of women). Besides microcredit factors, the model also suggests that there other factors that could have influence on women's welfare. These are microcredit environment, political environment, and personal financial discipline and women entrepreneurial abilities.

2.4 Related Literature

2.4.1 The Level of Credit Accessibility by Urban Women

Wright (2001) says that if the loans grow bigger; it may necessitate the pulling out of large amount of money from the business in order to make weekly payments. This reduces on the working capital of the business and the subsequent profit hence deteriorating performance.

The weekly repayment are supposed to be borne by the business but one thing in common with many women owned businesses throughout the world they make their weekly loan repayment not from income arising from the loan income but from the family household income (Rutherford, 2002), he further notes that women owned businesses pay back after one or two weeks and they continuously make weekly installments for 4-6 months. This period varies from one institution to another. This period is considered too short to use credit and be able to pay back and as a result women owned businesses pay from other sources other than the business itself Rutherford (2000). The weekly repayment is possible with the first small loans later but later becomes a big problem, as loan grow bigger.

The weekly or monthly repayment schedules normally require investments that generate an immediate and rapid rate of return if repayments are to be made from the business income. Thus saving from household income is usually a primary source of the money used to make repayment (Mutesaasira, 2002). Thus the need to analyze the capital requirements of the business in order to determine the loan amount and repayment period the micro credit fund institutions could give to the borrower any one single time.

The interest charged will greatly impact on the level of credit accessibility of the women owned enterprises. Interest rates of micro credit have been an issue over which there have been many debates among financial practitioners. Existing MFIs in Kampala charge different rates and fees for the credit and other financial services offered (USAID, 2000). Murray (2000) noted that the interest rates charged by most micro credit are four times higher than those of commercial banks and it is beyond a tolerable threshold. This leads to accumulated amounts payable by the women thus affecting their working capital base and profitability and hence limiting the accessibility

Oliver Schmitt et al (2005), argues that high level of interest rates which is the price of acquiring a loan would be the core hurdle for the poor mostly women to access financial services and low loan repayment in the long run. The authors add that on the side of the borrower high interest rates is financial charge and therefore erode the little profit made on loan and interest repayment.

The level of interest rates charged on loans seems to be an important factor in determining the level of women's access to micro credit. Non price attributes of credit institutions and their services play a larger role. These attributes include the types of loans provided and the restrictions on their use, as well as the types of nonfinancial services provided by the programs, such as training in the management of microenterprises. Several suggest that the acceptance of an institution by its clientele, and therefore its prospects for growth and sustainability, are determined by a range of characteristics of both its financial and its nonfinancial services.

It is generally agreed among researchers and policymakers that poor urban women in developing countries lack adequate access to credit. This lack of adequate access to credit is in turn believed to have significant negative consequences for various aggregate and household-level outcomes, including technology adoption, agricultural productivity, food security, nutrition, health, and overall women's welfare

2.4.2 The Level of Economic Well-Being of the Urban Women that Access Micro Credit.

"Micro credit has created a revolution. When banks lent to the rich, micro credit programs lent to the poor. When banks lent to men, micro credit programs lent to women. When banks made large loans, micro credit programs made small ones. When banks required collateral, micro credit loans were collateral free. When banks required a lot of paperwork, micro credit loans were illiterate-friendly. When clients had to come to the bank, micro bankers went to the clients." Sam Daley-Harris, Director of the Micro credit Summit Campaign.

Micro credit is as much about money as it is about information, with sustainability and non-dependence on external resources being vital to the growth of micro credit programs. Micro credit has been particularly useful as a strategy for women's socio-economic development. By enabling women to gain access to economic resources and credit, this can help develop leadership capacity in the community and decision-making power in the home.

In addition, women have proven to be better credit risks than men, paying back loans at a much higher rate. Since women tend to spend a higher percentage of their income on the household than men, lending to women can result in more significant impacts on children's health, education and general well-being. Global experience with micro lending demonstrates that women are better credit risks than men, and that poor entrepreneurs have higher repayment rates than large bank clients.

Urban women who have accessed micro credit tend to be self-reliant and self-sufficient as no much is needed from their husbands to repay back the loan. This is because since the micro credit give small loans to the poor urban women, the weekly repayment these women make is neither from their husbands directly nor from the income rising from the loan income but from the family household income and repay the loan on weekly instalment for 4-6 months. (Rutherford 2002)This therefor have reduced the dependency burden in the families of these women.

Increase in the productivity of the small scale women owned businesses .The micro credit service provision to these women has seen their businesses emerge into large and sometimes jointly owned commercial enterprises due to the fact that the women entrepreneurs initially access financial assistance from these institutions without a lot of paper work required, collateral security and these institutions were illiterate friendly.

Innovations and invasions as well as creativity among the women who are reached by these microfinance institutions. All these will emerge with an attempt to source for the weekly repayment of the acquired loans and hence leading to the high standards of living of these women as their main motive is profit maximization

2.4.3 Microcredit Service provision and Economic Well being of Urban Women

Mukuye (2004: 22) highlights the value associated with micro credit which includes the following; Micro credit can be invested in an income generating activity as working capital or it may be used in purchasing a productive asset.

The availability of reliable and regular micro credit enables the stabilization of income for the poor, also helps in smoothening consumption expenditure. These help to protect the poor from

exploitative money lenders and negative effects of debt cycle, regular incomes enables the poor to have regular access to food, health care, education and other services.

Micro credit argued to lead to accumulation of physical assets categorized into three; assets that contribute to quality of life like radio, productive assets like fridges for earning income, household asset like livestock for in-kind saving.

Increased income and income security

Reduced vulnerability and increased ability to cope with risks.

From the above understanding, it's clear that micro credit help the poor to function freely in the liberalized market system, reduces risks and vulnerabilities and also be able to address some of the capability related deprivations.

Micro credit has contributed a great ideal towards empowerment of women not only economically but also socially within the family. However this momentum has to be maintained. The empowerment cannot be a single cycle process and therefore the micro women entrepreneurs require a defined set of service need as today's micro enterprises are tomorrows small and should be opportunity to grow.

Micro credit can help women to escape from domestic violence by giving them the economic resources necessary to escape from the violent situations. Recent study found that women who are members of the microfinance organization suffer from less violence than those who are not. More specifically, the working women forum found that 41% of its members who had suffered domestic violence were able to stop it due personal empowerment, and 29% were able to stop through group actions (UNDP, 2005; UNDP2006)

Women financial contribution to family income earns them more from their husbands, children, in laws and external families. Several studies have demonstrated that women in micro finance groups play a greater role in community service by organizing for social change, participating in the community meetings and also by contributing financially for the community projects.

2.4.4 Constraints to women microcredit accessibility

Women entrepreneurs face dual challenges in accessing financial resources. As part of the overall entrepreneurial class they face common constraints the private sector faces, particularly small scale operators, to access financial resources. In addition, as women they face specific challenges associated with their gender (Wole, 2009).

Entry Barriers and Institutional Discrimination; Entry barriers are said to be high for new business starters to access loan finance. Two reasons can be sighted as the causes for this state of affairs. The first being the fact that new business starters, especially women, lack information and the experiences as to how to approach microcredit institutions while the second is that microcredit institutions trust entrepreneurs with whom they have long business relationships much more than the soundness of the business ideas. Once business dealings are started and good track records established, one does not face any problems getting additional loans (Wole, 2009).

Also, urban poor women's access to financial resources is also limited by biased lending practices that emerge when financial institutions in the area consider them smaller, less experienced and therefore less attractive clients, or when institutions lack the knowledge to offer products tailored to women's preferences and constraints (Fletschner, 2009).

The extent to which institutions reach out to women and the conditions under which they do vary noticeably, but women are at a disadvantage when an institution does not fund the type of activities typically run by women, when it does not accept female guarantors, when its requirements are not clear or widely known or when, as it is typically the case, loans to women are smaller than those granted to men for similar activities (Fletschner, 2008a; World Bank, 2008b).

Nature of Business; Nature of business that most women are engaged in is another challenge. In most cases women businesses are not only found in the informal micro enterprise sector, but the types of business activities they are engaged in are also relatively less capital intensive. This should not however imply that women are weak to accumulate capital. Women are proved to be more entrepreneurial when they are exposed to opportunities and have access to resources. In fact their capacity for capital accumulation is affected by their tendency, as mothers and wives,

to spend whatever income they earn on the welfare of their families and to avert risks so as to make provisions for the future (Wole, 2009).

Socio-Cultural Roles; Another problem is socially accepted norms of behaviour and the roles women play in their families can have profound effects on the type of economic activities in which women can engage, the technologies available to them, the people and agencies with whom they can interact, the places they can visit, the time they have available and the control they can exert over their own capital (Fletschner and Kenney, 2011).

In addition to this; as a result of innate psychological characteristics and of attitudes influenced by social conditions, men and women tend to exhibit systematic differences in their behavior. Of particular importance when assessing the adequacy of financial products available to women is how men and women differ in their willingness to take risks. Studies in psychology and been a subject of scrutiny.

2.4.5 Financial Accessibility in Uganda

Credit programs In Uganda can be traced as far back as the early 1960s when two credit schemes namely the cooperatives credit scheme (CCS) in 1961 and the progressive farmers loan scheme (PFLS) in 1964 respectively with a focus of transforming farmers from subsistence to commercial practitioners and as a strategy to reduce poverty. Another state directed credit programme, the rural farmer's scheme (RFS) was launched under the support of the Uganda commercial bank (UCB) in April 1988 also with similar objectives as the two credit programs already mentioned above. All the above three credit programs failed and were suspended due to high default rates and their failure was attributed to reasons ranging from incorrect mechanisms used to choose credit beneficiaries, cumbersome appraisal procedures which resulted in delayed disbursement, lack of sufficient staff to monitor the credit, the absence of readily available market for farmers' produce. Other reasons for the failure of these credit programs were top down deficiencies such as bureaucracies, questionable integrity of loan officers, poor disbursement policy (in kind), high transaction costs, lack of security for the loans and political interference(Muhumuza 2007).

Again in the last 20 years, government of Uganda has initiated, implemented and supported various micro credit schemes aimed at fighting poverty in the country with a focus of creating

revolving funds for micro credit to households at the grass roots. Such interventions include the South western smallholder's rehabilitation project and Poverty Eradication Action Plan (PEAP)

However some of these efforts have had little success and limited impact on addressing the needs of the targeted population due to design flaws, and management adequacies

Microfinance support Centre limited report, (2007) Out of the above mentioned government directed credit programs, only PEAP registered some success like a recovery rate of 93 percent, training of intermediary agencies and clients in group dynamics, enterprise management and book keeping, generating material and social benefits for its beneficiaries, increased cooperation between group members, enhancement of beneficiaries welfare and formation of social networks

The PFA program, which is planned to be achieved through the Rural development strategy (RDS) emphasizes the need to enhance production, competitiveness and commercialization of the economy .This is to be achieved through increased production and productivity, promoting value addition and marketing, improved access to information and increased access to affordable financial services (Microfinance support Centre limited report, 2007).

In the implementation of PFA, the GOU has developed a strategy for RFSP aimed at developing a financial infrastructure that can reach every sub-county in Uganda.

The infrastructure is a channel for encouraging savings mobilization across the country. The objectives of Rural Financial Services Program (RFSP) are to;

Create and build a nationwide network of rural financial infrastructure services.

Assist the establishment of viable and properly managed savings and credit cooperative organizations (SACCOs) at every sub county. Ensure adequate regulation and supervision of these rural finance institutions so as to safe guard members' deposits.

Ensure that the population has access to financial services at affordable interest rates. Ensure that all the households in the country can have a savings account.

To avoid duplication of effort among GOU implemented programs. Also under the RFSP, major GOU micro finance support programs that provide wholesale credit and capacity building funds will be restructured. These programs include RFSP which was formerly the microfinance

outreach plan (MOP), MSCL, and former support to feasible financial institutions and capacity building efforts and Post Bank Uganda (PBU), which will result into an institutional arrangement, each of the players having defined roles as follows:

a) Uganda cooperative savings and credit union limited (UCSCU) is responsible for mobilizing communities to form new SACCOs provide capacity building to SACCOs and supervise their performance. It is also responsible for developing and maintaining a data base on SACCOs.

b) The MSCL is responsible for the provision of wholesale credit and business development services (Micro finance support Centre, 2009).

2.6 Definition of key terms

2.6.1 Micro-credit

"Microcredit refers to small loans" According to Sandra (2001) Micro-credit; is the extension of very small loans (micro-loans) to the unemployed, to the poor entrepreneurs, and others live in poverty who are not considered bankable. Micro-credit is the provision of credit services to low income clients in form of small loans for the purpose of micro-enterprises and income generating activities.

2.6.2 Economic welfare

MacDowell, ML. (2007) defines welfare. Welfare can be defined as something that aids or promotes well-being, for the benefit of all. It also refers to the economic wellbeing of an individual, group, or economy. In some countries, welfare has a special meaning in politics, referring to financial aid for the poor

The state of doing well especially in respect to good fortune, happiness, well-being, or prosperity must look out for your own welfare.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the procedure used to undertake the study, focusing on research design, study population, sampling technique, sample size determination, data source and data collection instruments, validity and reliability of the instruments, ethical considerations and significance of the study.

3.2 Research Design

The study adopted a descriptive correlational survey design but cross sectional in nature. According to Croswell (2003) this design is particularly appropriate for investigating welfare impact by establishing situation before an intervention and after an intervention. It uses qualitative and quantitative approach for data collection to conduct the whole study. The study was also correlational in nature because it involved examining relationships between microcredit and economic wellbeing of urban women. On the other hand the study was cross-sectional because it involved obtaining information from respondents in a particular period of time.

3.3 Study Population

The study was conducted among women in Makindye Division, Kampala. Since the researcher could not reach all the women in Makindye Division, the study targeted only 100 women (Krejcre and Morgan's (1970)who were able to give the relevant data that was required to aid the study.

3.4 Sample size

The sample size was determined using Krejcre and Morgan's (1970) table of determining sample size. A sample size of 80 women out of 100 was selected to participate in the study.

3.5 Sampling Technique

The study used probability sampling technique. Women entrepreneurs who participated in the study were selected using simple random sampling. This method was used since every member in the population had an equal chance of participation; this helped generate a representative sample of the population.

3.6Research Instruments

Data for the study was collected using closed ended questionnaires. Ten main indicators were used to calculate well-being scores. They encompassed; type of material for accommodation floor, source of drinking water, availability of electrical appliance, presence or absence of adult illiterate in the household, number of households with savings account, networks that household members belong to, type of fuel used by household, physically challenged persons among the household, skipping of meal as a means of coping strategy and access to or ownership of land. Scores were assigned to the indicators and aggregated. The aggregated scores were divided by the number of indices to generate -the well-being scores for respondents

In addition, data on household demographic characteristics such as sex, educational level, marital status and age of household members was obtained. Selected respondents were female non-clients, and female clients who had received one cycle loans or repeated loans within the last twelve months of the survey.

3.8 Data Quality Control.

Data safeguarding and ensuring the accuracy and completeness of the same quality control comprises of validity of the instrument that will be used in the study. This is maintained through tests of validity and reliability.

3.8.1 Validity.

Validity in this case refers to the appropriateness, meaningfulness and usefulness of the inferences/deductions a researcher makes (Fraenkel&Wallen 1996:153). In order to establish validity of the instruments, the draft questionnaires were given to the supervisor and academic colleagues and experts.

3.8.2 Reliability.

Reliability refers to the consistency of the responses obtained from one administration of an instrument to another and from one set of items to another (Fraenkel&Wallen 1996:160).

3.9 Data Interpretation and Analysis.

The initial data collected was subjected to quality checks, to ensure that the recordings are correctly done with minimal errors. This entailed editing, repeating interviews where necessary,

coding, summarizing, categorizing and grouping similar information, analyzing according to the theme of the study.

In order to identify the socioeconomic profiles of respondents, bar charts were used. Descriptive statistics in terms of means and standard deviations were used in order to determine the level of credit accessibility and economic wellbeing among urban women in Makindye Division. The relationship between microcredit services and economic wellbeing was established using Pearson's Correlation Coefficient (r).

3.10 Ethical consideration

To avoid ethical dilemma, an introduction letter was obtained from the school of Economics and Management sciences whichwas presented to the target financial institutions during data collection. The researcher ensureda high level of confidentiality during and after the data collection. The respondents consent was sought before the data collection.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETAION

4.0 Introduction

This chapter highlights the presentations, analysis and interpretation the collected data.

4.1 Socioeconomic profiles of respondents

4.1.1 Size of Business

Table 4.1.1 Size of Business

Business size	**Frequency**	**Percentage**
Small	48	60.0%
Medium	25	31.2%
Large	7	8.8%
Total	**80**	**100%**

Source: Primary data (2015).

The study found out that the women owned businesses are majorly dominated by small scale businesses. As the table above indicates, 60.0% of the studied population was composed of small scale businesses, and medium size only make up 31.2%, while the large businesses were only 8.8%.

4.1.2 Education Level of Respondents

Table 4.1.2 Level of education

Level of Education	Frequency	Percentage
O-level	18	22.5%
A-level	26	32.5%
Diploma	22	27.5%
Degree	5	6.2%
Others	9	11.2%
Total	80	100.0%

Source: Primary data (2015)

The findings in Table 4.1.2 reveal that the biggest number of women engaged in the business sector are A-level certificate holders as indicated by 32.5 per cent. The findings further indicate that 22.5 per cent were O-level certificate holders while diploma holders consisted of 27.5 per cent. Additionally, women who had a degree consisted of only 6.2 per cent and the rest who had other qualifications consisted of 11.2 per cent.

4.1.3 The kind of business ownership

Table 4.1.3 Kind of Business Ownership

Ownership	Frequency	Percentage
Individual	68	85.0%
Family	11	13.8%
With friends	1	1.2%
Corporation	0	0.0%
Total	**80**	**100.0%**

Source: Primary data (2015)

The study findings have indicated that women owned businesses are majorly owned individually. As Table 4.1.3 indicates, 85.0% of the studied population was composed of individually owned businesses, and the family owned businesses only make up 13.8%, while those partnered with friends were only 1.2%.

4.1.4 Micro Credit Duration of the Urban Women

Table 4.1.4 Microcredit Duration of the Urban Women

Duration	Frequency	Percentage
Less than 1 year	22	27.5%
1-4 years	41	51.2%
5-9 years	15	18.8%
10 & above	2	2.5%
Total	**80**	**100.0%**

Source: Primary data (2015)

Table4.1.4 findings reveal that most of the women had spent between 1-4 years while accessing microcredit in Makindye Division. More so, women who had spent less than a year composed of 27.5 per cent, those who had been accessing credit for 5 to 9 years comprised of 18.8 per cent while those who had been accessing credit for 10 years and over comprised of 2.4 per cent.

4.1.5 Marital Status of the urban women who access the microcredit services

Table 4.1.5 Marital Status of Urban Women who a access the microcredit services

Marital Status	Frequency	Percentage
Single	56	70.0%
Married	21	26.2%
Divorced	3	3.8%
Widowed	0	0.0%
Total	**80**	**100.0%**

Source: Primary data (2015)

The findings on marital status in Table 4.1.5 reveal that single women comprised of highest per cent. Women who were single composed of 70.0 per cent of the entire sample of the study. Similarly married women comprised of 26.2 per cent, 3.8 per cent were divorced while none were widowed.

4.2 Level of Microcredit Services

The first objective of the study was to examine the level of microcredit among women in Makindye Division. The results were presented in the table below.

Table 4.2 Interpretation of Mean Values

Mean range	Response mode	Interpretation
3.26-4.00	strongly agree	Very High
2.51-3.25	Agree	High
1.76-2.50	Disagree	Low
1.00-1.75	strongly disagree	Very low

Table 4.2.1 Level of Microcredit services

Micro-credit	Mean	Std. Dev.	Interpretation
Micro-credit services have improved the economic wellbeing of urban women	2.59	1.015	High
Micro-credit services have increased on the size of food basket per woman	2.26	1.076	Low
Micro-credit services have increased on the number of women owned projects	2.23	0.986	Low
Micro-credit services have improved on the monthly incomes of women	2.19	0.975	Low
Overall mean	**2.32**		**Low**

Source: SPSS V20

The findings according to Table 4.2.1 reveal that microcredit services have improved the economic wellbeing of urban women (Mean=2.59, Std. Dev. =1.015). However dissimilar to the above, at a (Mean=2.2.6, Std. dev. =1.076) the findings have indicated that microcredit services have not improved on the food basket of women in Makindye Division. In a similar way, microcredit services have remained at the same level in regard to the number of women owned projects (Mean=2.23, Std. dev. =0.986) while at the same time monthly income have remained

the same at a (Mean=2.19, Std. dev. =0.975). The overall mean (Mean=2.32) is low. This implies that the level of microcredit services among women in Makindye Division is low.

4.3 Level of Economic Wellbeing of Urban Women in Makindye Division

The second objective of the study was to establish the level of economic wellbeing among women in Makindye division. The results were presented in the table below.

Table 4.3Interpretation of Mean Values

Mean range	Response mode	Interpretation
3.26-4.00	strongly agree	Very High
2.51-3.25	Agree	High
1.76-2.50	Disagree	Low
1.00-1.75	strongly disagree	Very low

Table 4.3.1 Level of Economic Wellbeing among Women in Makindye Division

Economic Wellbeing	Mean	Std. Dev.	Interpretation
Monthly incomes of urban women (women empowerment have increased	2.44	3.571	Low
Personal financial discipline and risk management among women has improved	2.25	1.153	Low
The number of women owned projects has increased	2.25	1.073	Low
Size of food basket per woman has increased	2.00	.968	Low
Entrepreneurial abilities among urban women have improved	1.94	.817	Low
Over all Mean	2.18		Low

Source: Primary data (2015)

Table 4.2.1 presents the findings on the level of economic wellbeing among women who participated in the study. As presented by the findings, there were disagreements among women that their monthly incomes referred to as women empowerment had increased (Mean=2.44, Std. Dev. =3.571). The mean is low indicating a low level of empowerment. Similarly at a

(Mean=2.25, Std. Dev. =1.153), personal financial discipline and risk management among women had not improved. The number of women owned projects according to the findings had not increased at a (Mean=2.2.5, Std. Dev. =1.073) which is low. More so, the size of basket per woman had not increased at a (Mean=2.00, Std. Dev. =0.968) according to the findings in Table 4.2.1 while at the same time the entrepreneurial abilities among women have also remained the same (Mean=1.94, Std. Dev. =0.817). The overall mean is 2.18 which implies that the level of economic wellbeing among women is low.

4.4 Relationship between Microcredit Services and Economic Wellbeing of Women

The third objective of the study was to examine the relationship between microcredit services and economic wellbeing among women ion Makindye Division. This was established using Pearson's Correlation Coefficient.

		Economic Wellbeing	Microcredit Services
Economic Wellbeing	Pearson Correlation	1	.050
	Sig. (1-tailed)		.329
	N	80	80
Microcredit Services	Pearson Correlation	.050	1
	Sig. (1-tailed)	.329	
	N	80	80

Source: Primary data (2015)

The study used Spearman's correlation coefficient to study the impact of the of the microcredit services on the urban women's wellbeing. The study used a 2-tailed test to find out the level of significance. The correlation coefficient was found out to be 0.05, which shows a weak positive relationship between microcredit services and the urban women's economic wellbeing. The p vale is greater than 0.05, implying that the null hypothesis cannot be rejected.

CHAPTER FIVE:

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter involves a summary of the findings, discussions and recommendations that are based on the objectives, the problem statement and the findings from the study.

5.1 Discussion

5.1.1 Level of Microcredit Services

The findings of the study indicated that the level of microcredit services is low among women in Makindye Division. This was revealed with an overall mean of 2.32 which is low according to the interpretation scale. This was indicated by the fact that microcredit services have not improved economic wellbeing; monthly incomes are still low while at the same time the basket of food per woman also still remains the same.

5.1.2 Level of Economic Wellbeing among Urban Women

The study findings on the level of Economic wellbeing also revealed that women still live at a low level of economic welfare despite the fact that they are part of the microcredit schemes in Makindye division. The results could be attributed to the fact that monthly incomes are still lagging, the number of women owned projects]s have also remained at a standstill while at the same time financial discipline and risk management are still issues of concern among women.

5.1.3 Relationship between Microcredit and Economic Wellbeing

The findings of the study revealed that there is a weak positive relationship between microcredit and economic wellbeing among women in Makindye Division. The Pearson's Correlation Coefficient Value was r=0.05. This is also supported by the fact that the level of microcredit and economic welfare are still low.

5.2 Conclusions

On the objective of finding the level of micro-credit service provisions in Uganda, it can be concluded that the level of micro-credit service provisions in Uganda is low as shown by mean of 2.32.

On the objective of finding the level of economic well-being of urban women in Uganda, it can be concluded that it has been low as vindicated by the mean of 2.18.

Finally, on the objective of finding the relationship between micro-credit service provisions and economic well-being of urban women in Uganda, it can be seen that the relationship is weak positive as shown by the Pearson correlation coefficient of 0.329.

5.3 Recommendations

Government should formulate favorable policy frameworks for the women owned businesses that focus on the legal and regulatory conditions, capacity building in support of improving the environment to increase competitions as to raise the level of access to microcredit services in Makindye Division.

Gender equality should be promoted at all levels local and national by emphasizing and enhancing the role of women in society, as a way of increasing their competence in the business world. This will help increase on house hold income and reduce on the financial burdens borne by men. It will increase income at local, regional and national levels, increase socio-economic welfare, saving and investment plus the associate economic growth.

Government should intervene in the women business sector by offering free short courses, seminars as well workshops as a way of building on their managerial skills as the only to improve on their capability to run and manage medium and large enterprises. This will help them to increase the profit margins from their enterprises that will enable them meet their needs and have some for saving for their future needs.

The government needs to put more emphasis on cooperative saving and microfinance system, as the study found this sector has greatly made a revolution towards uplifting the economic wellbeing of urban women through the small loans given to them at a lower interest rate than those got from the banks and other commercial enterprises. In addition, this sector provided the

appropriate means of saving to the urban women entrepreneurs. Increasing transparency and ensuring efficient management among the members of these microcredit institutions needs to be done as well, by putting up correct guidelines and sensitizing the people, so that they can keep their resources at community level.

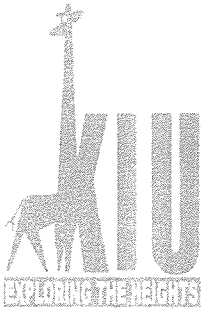
5.4 Areas of Further Study

In reference to the findings of the study, the researcher encourages prospective researchers to carry out more studies on the role of microcredit in improving economic wellbeing among women using a larger sample size since the current study involved few respondents which could cause inconsistent results.

Advanced methods of analysis including different research designs should also be utilized in the different researches including more variables to bring forward more light on the microcredit services and economic wellbeing.

APPENDICES

APPENDIX I



SELF GUIDED QUESTIONNAIRE ON MICRO-CREDIT SERVICE PROVISION AND ECONOMIC WELLBEING OF WOMEN IN MAKINDYE DIVISION, KAMPALA DISTRICT

Dear respondent,

My name is Benbela Bashir, a student of Kampala International University, pursuing a bachelor's degree in Economics. Am conducting a study on micro-credit institutions and economic wellbeing of women in Uganda. This document has been formulated, the information you will provide will be treated with confidentiality. This study is being carried out to establish the relationship between micro-credit institutions and economic wellbeing of women within Makindye division. The research work is purely academic and thus the findings will not be used in any way that has a negative contribution to your activity.

1. What activity is your business engaged in?

   .....

   .....

   .....

2. Size of the business.

a) Small

b) Medium

c) Large

3. Level of education

a) O-level certificate

b) A-level certificate

c) Diploma

d) Degree

e) Others

4. Source of capital to start up the business

a) Personal savings

b) Loan

c) Others

5. Have you ever borrowed money from any credit institution?

a) Yes

b) No

6. If yes, for how long have you ventured into borrowing the loan/credit?

a) Less than a year

b) 1 to 4 years

c) 5 to 9 years

d) 10 & above years

7. How is the enterprise owned?
   a) Individual
   b) Family
   c) With friends
   d) Corporation

8. What problems do you face in trying to acquire a loan/for your business?
   a) Much collateral security in needed
   b) Too much paper work
   c) Insufficient knowledge
   d) Progressive track records

9. Marital status.
   a) Single
   b) Married
   c) Divorced
   d) Widowed

SECTION A: Level of Economic Wellbeing

In your opinion, what has been the effect of the microcredit services on the economic wellbeing of urban women in Uganda?

		Strongly agree	Agree	Disagree	Strongly disagree	Not sure
1.	Micro credit services have improved the economic wellbeing of urban women					
2.	Micro-credit services have improved on monthly income (empowerment of women.					
3.	Micro-credit services have increased on the on the size of food basket among urban women					
4.	Microcredit services have increased on the number of women owned projects					

SECTION B: Level of Economic Wellbeing

Do you think the following statements are true economic wellbeing of urban women?

		Strongly agree	Agree	Not sure	Disagree	Strongly disagree
1.	Monthly income (women economic empowerment) has increased					
2.	Sized of food basket per woman has increased.					
3.	Number of women owned projects has increased					
4.	Personal financial discipline & risk management has improved					
5.	Women entrepreneurial abilities among women have improved					

Thank you very much for your cooperation.

APPENDIX II:

TIME FRAME

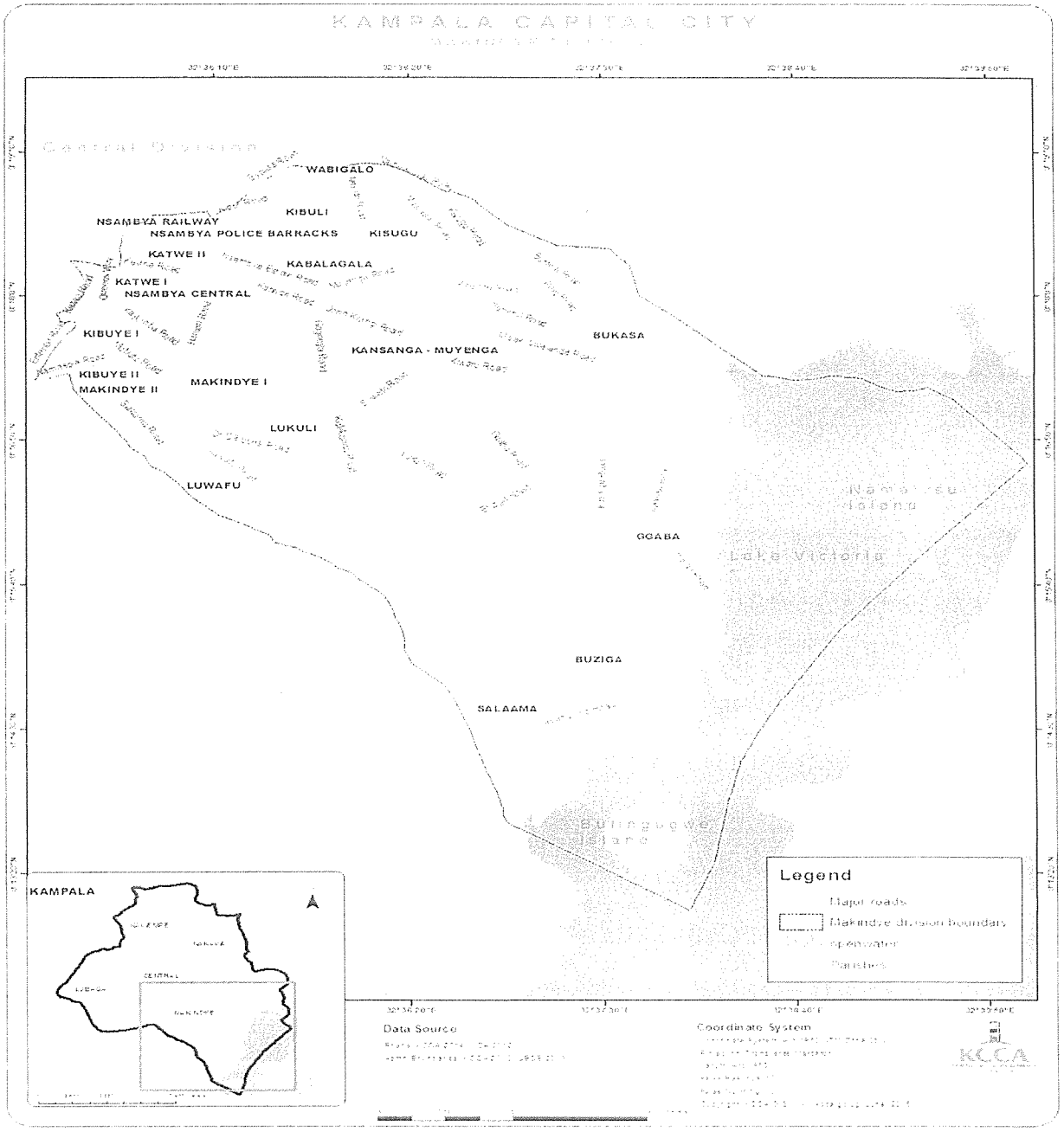
Activities	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
1. Conceptual phase						
2. Chapter 1						
3. Design and planning phase						
4. Chapter 2-3						
5. Dissertation proposal						
6. Questionnaire design and data collection						
7. Analytical phase						
8. Chapter 4-5						
9. Final book bound						
10. Supervision and correction						

APPENDIX III:

BUDGET

Item	Units	Price (UGX)	Amount (UGX)
Pens	4	500/=	2, 000/=
Papers (A4)	1 ream	5, 000/=	15, 000/=
Printing	Lumpsome	40, 000/=	50, 000/=
Hard cover binding	3 copies	7, 000/=	25, 000/=
SPSS study package	Once	20, 000/=	20, 000/=
TOTAL			**112, 000/=**

APPENDIX IV: A MAP OF MAKINDYE DIVISION



Source: Physical Planning Authority (PSA), Kampala

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