

Assessing the role of Village Community Banks in Social Empowerment of Women within households in rural communities of Mtwara District, Tanzania

Herinely Chipindula¹ Joel Elia Mwanga²

1. Department of Sociology, St. Augustine University of Tanzania, P.O Box 307, Mwanza, Tanzania
2. Development Studies Institute, Sokoine University of Agriculture, P.O. Box 3024, Morogoro, Tanzania

Abstract

This paper is based on a research which was conducted in Mtwara Region, Tanzania to explore how Village Community Banks (VICOBA) as a means of economic empowerment had facilitated change in women's self-efficacy and self-esteem to rural women of Mtwara District. The findings indicated that through its economic role, VICOBA has led to social empowerment of rural women by increasing their self-esteem through increased respect, building a sense of social-worth and enabling them and their families to overcome disgrace. Furthermore, it has led to the increase in self-efficacy through allowing acquisition of resources, changing roles, increased confidence, improved communication between couples, building a sense of community, transforming gender relations and increased ability to solve marital problems. Results substantiate a need to formalize and harmonize the existing VICOBA models so that rural people can discover their potentials and use them effectively to overcome different social problems.

Key words: Microfinance, Empowerment, VICOBA, Self-Esteem, Self-Efficacy

1.0 Introduction

Rural areas of Tanzania are faced with many challenges mainly lack of access to financial institutions and poverty which is widespread among women compared to men (Macha and Mdoe, 2002). Presence of customs and traditions give men more power and control over households' finance and decision making process whereby women who play a great role in rural economy becomes victims (AKF, 2014). However, women's access and control to credit through economic empowerment enhances their contribution to family support and increased ownership of properties and assets (Kato and Kratzer, 2013). The authors further asserted that increased women's self-efficacy and self-esteem can be achieved through social empowerment. To rural women, microfinance programs such as Village Community Bank (VICOBA) can indeed contribute to both forms of economic and social empowerment (Kato and Kratzer, 2013). However, while many studies have been directed towards studying the role of VICOBA and microfinance in empowering women economically, few have investigated if VICOBA can empower women socially. Therefore, the research on which this paper is based was conducted in Mtwara District with the objectives of identifying how VICOBA has facilitated changes in women's self-esteem and self-efficacy.

2.0 Literature Review

According to Kato and Kratzer (2013), self-esteem is referred as how one values oneself and one's contribution and how one feels that others value one's self and one's contributions. It is an individual's judgment of self-worth, which is derived from self evaluations based on competence or on attributes which are culturally invested with a certain value. On the other hand, self-efficacy reflects women's articulacy and confidence in speaking with people of authority, her confidence to disagree with her husband and other family members, and her belief that she is effective in solving family problems (Kato and Kratzer, 2013). Bandura (1977) defines self-efficacy as an individual's belief in his or her capacity to execute behaviours necessary to produce specific performance attainments. It reflects confidence in the ability to exercise control over one's own motivation, behaviour and social environment.

VICOBA is a grassroots' based lending scheme with a focus of fostering participant's ability to innovate and manage viable income generating activities (MoFEA, 2009). Dobra (2011) describes microfinance as a means of giving access to financial services to as many poor people as possible, allowing them to use their capacities in favour of durable development. It is further asserted that microfinance allows poorest actors to exploit their skills to become productive economic agents. When a small loan is granted to a micro entrepreneur, it is invested to generate an income, then a loan is repaid and an entrepreneur can access another loan which eventually increases the purchasing power as well as social recognition. This social recognition highlights the social dimension of microfinance which focuses on the actors targeted by microfinance programs and the global consequences for the community. Dobra (2011) argued that through access to financial resources, microfinance does not only give access to self employment, but also contributes to the improvement of family life and influences the social situation of poor people by promoting self confidence. The social impact is particularly important for women and provides force for their empowerment which is a very important part of the development (Dobra, 2011). Microfinance was reported to be one of the important instruments of not only economic empowerment but also social

empowerment of women by capacitating them with self confidence for the increased self-esteem and self-efficacy (AKF, 2014).

Kato and Kratzer (2013) argued that as women access microfinance services, these services start to transform and make changes in their lives. The authors believe that by increasing women's access to microfinance, it leads to a set of mutual-reinforcement of increasing economic and social empowerment. Economic empowerment changes the self perception of women themselves and perception that others have towards them (Kato and Kratzer, 2013). Women start to believe in themselves that they are capable of doing business on their own and making decision and choices for their businesses and families. Women's participation in microfinance services increases their self-esteem and self-efficacy which leads to involvement in decision making both within the household and community at large (Kato and Kratzer, 2013). The authors further argued that microfinance programs contribute to some changes in gender roles. Though various researchers agreed that microfinance were potential means of empowering women both economically and socially, others did not agree as they argue that loans acquired through microfinance can disempower women especially when men control them. It was further argued that in some cases microfinance can sometimes lead to domestic violence when women fail to pay their debts and properties confiscated (Kato and Kratzer, 2013). In a group lending systems, women borrowers with joint collateral can face potential problems if some members are not able to repay the loan and therefore causes frictions among the group (Pelleberg, 2011). There is a limited sphere within which the micro loans have actual effects for empowerment (Pelleberg, 2011). The author argued that the limitations women face in terms of structural inequalities that deter them from gaining control over assets and their continuous workload, can act as the hindrance for empowerment. Women in Tanzania are faced with numerous challenges which are directly linked to their empowerment through micro-credit lending like structural inequalities that treat them unfairly. Pelleberg (2011) argued that the customary law which was codified in Tanzania in 1963 named; "Customary Law Declaration Order of 1963" has an impact in gender relations. It works in a way that excludes women from owning properties such as land and other assets. As a result many women in Tanzania were inhibited in accessing conventional banking loans and to some extent micro credit loans. This is because collaterals needed in order to secure loans were owned by men (Pelleberg, 2011). These few existing literature about the role of VICOBA in empowering women socially, demonstrated that it was important for the research on which this paper is based to look at important aspects of social empowerment including self-esteem and self-efficacy.

2.1 Theoretical Review (Structural Functionalism Theory)

Structural functionalism is a theory which sees society as an organized body with several parts that work together to maintain the stability. It is a macro-level theory which focuses on large scale structures and social institutions (Ritzer, 2010). Talcott Parsons and Robert Merton were the key figures in this theory, while Parsons' structural functionalism rest on organic analogy which sees society as consisting of interdependent sub-systems and each system need to maintain the proper functioning of the entire organism, Merton's structural functionalism advocated for analysis of the social function rather than individual motives. For Merton functions are those observed consequences which make adaptation or adjustment of a given system (Ritzer, 2010). Generally through his idea of function and dysfunction (Ritzer, 2010) argued that one social fact can have positive as well as negative consequences to other social fact and therefore contrary to Parsons. Merton believed that it was important to look at the function and dysfunction of certain social fact. While everyone is aware of the intended consequences, sociological analysis is required to uncover the unintended consequences (Ritzer, 2010).

3.0 Methodology

3.1 Research Design, Sample and Sampling

The research on which this paper is based was a qualitative one which used a phenomenological approach with the aim of understanding views and perceptions of individuals who were both VICOBA and Non-VICOBA members. One way of understanding the social world is to examine the phenomenon through the eyes of people being studied (Creswell, 2007). The research focused on individual's views, experiences, beliefs and perceptions towards VICOBA as means of women's economic and social empowerment. It was guided by the saturation theory which required sample size determined after data collection continued until in analysis nothing new came out of the data. Based on this criterion, 46 participants were obtained following sufficient and depth information which met the purposes of the research. Mtwara District was purposively chosen because it was among the areas of Tanzania reached by VICOBA scheme by various implementers since 2007. AKF (2014) reported that there was an economic empowerment of more than 43000 VICOBA members in the District. This fact made Mtwara to become a potential area for a research as its population might help reveal whether there was social empowerment and if was facilitated by economic empowerment. The research was conducted at Nanguruwe ward which was purposively selected due to the fact that VICOBA groups have been operating in the area for more than five years. The two villages of Mduwi and Nanguruwe were randomly selected from the ward. The purposive sampling method was also

employed to select VICOBA member's households and Non-VICOBA members of both sexes who were familiar with VICOBA.

3.2 Research Instruments and Data Collection

In-depth interview guide, Focus Group Discussion and observational guides were the instruments for data collection. Technical terms, vague expressions and those affecting sentiments of the respondents were avoided. Direct Observation both formal and casual was conducted especially during VICOBA meetings to assess gender based attendance, behaviour patterns of those who attended and other indirect activities done in VICOBA meetings. This method was used because it was flexible and it allowed a researcher to see and record understated and hidden aspects of events and behaviour as occurred.

3.3 Data Analysis

Data gathered during the research were analyzed in terms of thematic analysis aiming at identifying, analyzing, and reporting patterns or themes within data acquired in the field. The analysis process was conducted in five phases whereby in the first phase to familiarize with the data, a researcher transcribed all audio materials recorded during the interviews and Focus group discussion, then read and re-read texts and wrote down the impressions (Taylor and Marcus, 2003). In the second phase, a researcher identified few key questions which were to be answered by the analysis and wrote those questions down. Then researchers looked at how all individuals responded to each question and looked across all responses to identify consistencies and differences and put all the data from each question together (Taylor-Powel and Renner, 2003; Woods, 2011). Moreover, in the third phase of categorizing information, a researcher coded the data by reading and re-reading the text and identified coherent categories (that is categories which were connected to one another). Then to organize data into categories, researchers assigned few abbreviated codes which were in a form of letters then placed them next to the themes and ideas found and then provided a descriptive label like a name for each category created. While categorizing data, a researcher identified other themes that served as subcategory. In the fourth phase, researchers identified patterns and connections within and between categories. While organizing data into categories by question patterns and connections both within and between categories emerged and after their emergence, researchers focused on assessing the relative importance of different emerged themes and highlighted the understated variations. To identify patterns and connections within, researchers looked at key ideas being expressed within the category and traced differences and similarities in the way people responded including the understated variations so that a summary for each category could be written. And to assess the importance of each emerging theme, researchers counted the number of times a particular theme comes up. Also in tracing the relationship between themes researcher looked at themes that occurred together consistently in the data (Taylor-Powel and Renner, 2003). Finally the fifth phase focused on interpretation of data where themes and connections were been used to explain findings. Researchers developed a list of key points or important findings discovered as a result of categorizing and sorting data and prepared a report. This report included quotes or descriptive examples to illustrate points and reflect research questions and literature (Taylor-Powel and Renner, 2003; Woods, 2011). Generally, the process of creating themes was done by two different coders to ensure objectivity of themes.

4.0 Findings

4.1 Respect

Finding revealed that female VICOBA members were respected and valued because of their economic position which enables them to assist their families to pay for school fess, family debts, setting up new businesses, adding capital to the existing family or husbands' businesses and acquiring assets among others. When addressed the question about impact of VICOBA in the social lives of women, one participant said; *"I do help my family without waiting for my husband to provide every single cent. From this fact my husband respects and values me"* (In depth Interview, Female, VICOBA member, Mduwi Village, March 19th, 2015). It was further demonstrated by men who were VICOBA members that women who do not involve in any economic activity are considered not helpful and are disvalued by their families compared to those who are more active. For example one male participant said that; *"A woman who just stays at home without involving herself in any economic activity is seen as helpless. However, she is valued if she starts to earn money and collaborate with her husband in supporting their family"* (In Depth Interview, Male, VICOBA member, Mduwi Village, March 19th, 2015)

4.2 Overcoming Disgrace

finding from the study revealed that before joining VICOBA, some participants faced various challenges like failure to meet basic famil' . This caused them to ask for financial support from their fellow villagers, something which resulted into being humiliated by other community members. This was said to be caused by the tendency of community members to look down upon people who are poor. As the effect of VICOBA, it was claimed that situation changed because through money acquired, people who were once considered beggars were able to start up their own small scale businesses, pay for school fees and

provide their families with some basic needs hence were able to overcome disgrace. For example one female VICOBA member said that *"being a VICOBA member; it has helped me to solve some family challenges through profit from my business. If there is a need for a loan to expand a business, I must discuss with my husband for the joint decision"* (In Depth Interview, Female VICOBA member, Nanguruwe Village, March 20th, 2015). Other participants both VICOBA and Non-VICOBA members provided the same opinion about the ability to overcome disgrace that VICOBA members had achieved. One female participant through focus group discussion added that; *"Before I joined VICOBA, it used to be very difficult for me to borrow money from other people when encountered unexpected challenge which needed money to solve. It is now very easy for me to borrow money not only from my group but also from other VICOBA members who do not belong to our group"* (Focus Group Discussion, Female VICOBA member, Nanguruwe Village, March 24th, 2015). Moreover, findings showed that through both economic and social changes that occurred into the lives of VICOBA members specifically women, Non-VICOBA members who were once against VICOBA began to respect them. Non-VICOBA members were reported to appreciate the role of VICOBA to the extent that they too wanted to join the groups.

4.3 Gaining the Sense of Social-worth

It was revealed that prosperity of female VICOBA members made family members to show appreciation towards them as well as collaboration and put their trust in them. Some husbands put trust to their wives to the extent that they did not worry about families' welfare during their absence. This was because of the belief that their wives were able to take care of the family. Furthermore, it was demonstrated that positive family and community perception towards changes that occurred in the lives of female VICOBA members motivated and enhanced their happiness. It further gave them courage that they can be of greater help to their families. For example one female participant when discussing about perception of her family towards her participation in VICOBA and how she feels about their perception said; *"I am happy that they congratulate me for being able to assist my family when we encounter problems"* (In depth Interview, Female VICOBA member, Mduwi Village, March 22nd, 2015).

4.4 Acquisition of Resources

It was found that VICOBA enabled its members to have not only access to financial resources but also to acquire other assets hence helped to transform their lives and families. Both VICOBA and Non-VICOBA members pointed out some economic changes that occurred to VICOBA members specifically women including; being able to buy plots, farms, building and repairing houses, opening up new businesses and expanding the existed one, buying home utensils, paying school fees, buying iron sheets and installing solar power panel. For example when pointing out some changes that happened into her life, one female participant said that; *"There are lots of changes, for example currently I am capable of taking my children to school, bought a plot and expecting to build our own house"* (In depth Interview, Female VICOBA member, Mduwi Village, March 22nd, 2015). Moreover, participants pointed out that one among major reasons that motivated many people to join VICOBA was the ability of VICOBA members to acquire resources and improve their lives. For example this was confirmed by one female VICOBA member who said; *"You know depending on agriculture as your sole source of income is not easy. Therefore when we realized that our fellow villagers were able to borrow some money from VICOBA and establish their own businesses, then we decided to give a try. For sure it has helped us, because if we would have depended on agriculture alone we would not have bought everything we have today including solar panel, household utensils, mattress and starting building our new house. Also we overcame the humiliation for asking for help from other villagers. Currently people in our village respect us"* (In depth Interview, Female VICOBA member, Nanguruwe Village, March 20th, 2015).

4.5 Supporting the Family

Findings revealed that through VICOBA, members had an access to capital which in turn enabled especially women to provide for their families and solve some household economic problems. One female participant pointed out that VICOBA enabled her not only to have access to capital but also to buy a plot, build a house and start tailoring shop. Also another participant said that a loan from VICOBA enabled her to pay family debts. *"A loan enabled me to pay family debts and bought food for the family"* (In depth Interview, Female VICOBA member, Mduwi Village, March 22nd, 2015).

4.6 Changing Roles

Findings demonstrated that there were several changes observed by both VICOBA and Non-VICOBA members in the lives of women who participated in VICOBA. These changes range from having access to financial resources and ownership of properties. It was revealed that women, who were once housewives and depended on their husbands to provide for the

household, were able to acquire loans from VICOBA and invested in different entrepreneurial activities. This made them become active members of their respective families. One male participant said that; *"Women who were housewives, waited for their husbands to provide everything. Now that they joined VICOBA, it enabled them to acquire loans for small scale businesses. For example if you go to the local market you will find many of them own small businesses like selling fishes, tomatoes and tailoring shops"* (In-depth Interview, Male Non-VICOBA member, Mduwi Village, March 19th, 2015). Moreover, findings of the research on which this paper is based, reported that women of Nanguruwe and Mduwi Villages felt proud of current roles to their respective families. They do not consider it as a burden because through it they are valued by both their families and community. For example one female VICOBA member who was also a widow said that; *"Formerly people thought that a woman could not manage the family without the husband. But after joining VICOBA and developed my household, even my fellow villagers realized that widows can support their families without dependency"* (In-depth Interview, Female VICOBA member, Mduwi Village, March 22nd, 2015).

4.7 Increased Confidence

It was revealed that women VICOBA members were capable to generate savings which enabled them to increase their economic power. It was argued by both male and female participants that women's confidence improved following their ability to initiate their own plans, set up budgets and implement in the absence of their husbands or male members in the household. For example one male participant pointed out that before joining VICOBA, his wife did not have the audacity to prepare a household budget on her own. As the effect of VICOBA, she is now capable to budget and contribute some amount of money for the family. It was also found that through VICOBA, women who were not used to manage finance got an access to money, invested them and learnt how to manage their income. Moreover, one male interviewee pointed out that women who participated in VICOBA were more confident to the extent that they took positions in groups compared to earlier time when they were scared of taking any leadership position. Women's ability to take up positions was resulted from VICOBA meetings which were used as a platform for members to practice their leadership skills. For example one male participant when talking about observed changes in the lives of female VICOBA members said; *"There are noticeable changes that women who participate in VICOBA have confidence compared to those who do not participate. When our group started, women were scared of taking positions in the group but now they are no longer scared and we have a female bursar"* (In depth Interview, Male VICOBA member, Mduwi Village, March 19th, 2015).

4.8 Improved Communication between Couples

Findings showed that communications between couples was improved after either one member or both joined VICOBA group. It was argued by some female participants who were VICOBA members that earlier when they had no financial power, they were rarely consulted and involved by their husbands in making economic decision within their respective families. VICOBA enabled them to initiate their own businesses and be able to contribute to the family income. This enabled their husbands to consult them in financial issues. It is because loans taken by women are sometimes used to invest in family businesses. One male participant when asked to comment about the issue of whether there were any female VICOBA members whose contribution to the group came from their husbands said that; *"Women are being assisted by their husbands because when a wife takes a loan, you may find that it was her husband who asked her so that they can expand their business"* (In depth Interview, Male non-VICOBA member, Nanguruwe Village, March 20th, 2015). It was further revealed that some women had joined VICOBA as a result of being assisted by their husbands in terms of buying shares. Some female VICOBA members said that although their husbands had good opinion about VICOBA, they did not join it because of being busy or not having enough money to sustain both their family needs and buy shares in the group for two people (i.e. A couple). As a result such couple discuss together and decide that only one member should join. For example, one female VICOBA member when giving reasons about why her husband does not participate in VICOBA, while he assists her to buy shares, she said that; *"It is just our agreement, we decided that because our businesses are not yet strengthened, it is better that one of us participates"* (In depth Interview, Female VICOBA member, Nanguruwe Village, March 20th, 2015).

4.9 Solving marital problems

It was revealed by some participants that there were some women who used to be ridiculed by their husbands for many reasons one being not able to contribute to family's income. Furthermore, it was found that a lot of dispute within families occurred because women were not able to contribute to the family. Women gained the economic power through VICOBA and were able to contribute to their households and situation changed. As a result they were no longer ridiculed and faced no family disputes. This brought harmony and love within the family, for example one participant said that; *"I used to be in conflict with my husband because I was just a housewife. He used to see me as useless and non supportive. VICOBA helped*

me to start my own businesses and everything changed” (In depth Interview, Female VICOBA member, Mduwi Village, March 22nd, 2015). When confirming the issue of impact of VICOBA in solving some marital problems, another participant through Focus group discussion said that; “ *sometimes quarrels occur especially to women who are just housewives that they do not engage themselves in any economic activity. When husbands get tired of providing for the families all by themselves, they get into quarrels with their wives. Wives are respected by husbands if they run their own businesses*” (Focus Group Discussion, Female VICOBA member, Nanguruwe Village, March 24th, 2015).

5.0 Discussion

5.1 Respect

Ability of female VICOBA members to assist their families financially enabled them to be acknowledged, respected and valued by their family members and community at large. This social value attached to women due to their economic role they play for households in turn increases the sense of self worthiness and self-esteem. The findings of the research on which this paper is based, reported that female VICOBA members who were not involving themselves in any economic activities were considered to be unhelpful by their families and as a result lower their self-esteem compared to those who were more active. Moreover, findings showed that Non-VICOBA members, who were once against VICOBA, began to respect members following their economic and social changes. Non-VICOBA members were reported to appreciate the role VICOBA plays to its members to the extent that they too wanted to join the groups.

5.2 Overcoming Disgrace

Because of lack of financial capacity some members of the society especially those who are poorer compared to others, fail to meet some family needs and forced to ask for financial support from their fellow villagers. This may result into being ridiculed and humiliated by other community members and lower one’s self-esteem. As the effect of VICOBA, it was reported that rural people especially women from Nanguruwe and Mduwi villages were able to have access to financial services through soft loans. Loans were invested to make profits to enhance their economic capacities, meet their needs and be able to overcome disgrace. VICOBA members were able to gain their self-esteem due to their ability to solve family economic needs and overcome humiliations. Moreover, members were able to secure some amount of money from VICOBA to address their immediate needs. This was evident in the research whereby some participants said that they encountered several challenges before they joined VICOBA. However, VICOBA changed the situation and those who were once considered beggars were able to start up their own small scale businesses, pay for school fees and provide their families with all basic needs and overcame disgrace.

5.3 Gaining a Sense of Social-worth

Prosperity of female VICOBA members made family members show appreciation as well as collaboration and put their trust to them. Some husbands put trust to their wives who participated in VICOBA to the extent that they did not worry about welfare of their families during their absence. This is because of belief that their wives were able to take care of the family confidently and independently. These positive family and community perception towards changes that occurred in the lives of female VICOBA members in turn strengthened them, made them feel happy and gave them courage that they can be of greater help to their families. For example, while discussing about family’s perceptions towards women’s participation in VICOBA and how female VICOBA members felt about their families’ perception, female participants said that because their families congratulated them on their achievements, they felt good and believed that they were capable of assisting their families in case of problems.

5.4 Acquisition of Resources

Through provision of soft loans, VICOBA provides financial capacity to its members and as a result when used properly enable them to have an access to capital for investment, owning assets and house facilities. Ahlen (2012) argued that loans acquired by VICOBA members were not only taken to make big investments, but were also important for members to be able to plan, control and diversify their economy, and be less dependent on harvesting times. While this was evident at Babati, it was reported in Mtwara that VICOBA capacitated its members not only to access financial resources but also to acquire other assets for life transformation. It was argued by both VICOBA and Non-VICOBA members that several economic changes occurred to VICOBA members. Several changes associated with VICOBA included being able to buy plots, farms, building and repairing houses, opening up new businesses and expanding the existed one, buying home utensils, paying school fess, buying iron sheets, drilling a borehole, installing tap water and installing solar power panel. Pelleberg (2011) argued that despite successful engagement in micro-credit, women of Tanzania are faced with many limitations including structural

inequalities that deter them from gaining control over assets which hinders women empowerment to take place. The author further argued that the existing customary law in Tanzania excludes women from owning property such as land and other assets. As a result, it prevents them from accessing conventional banking loans and to some extent micro-credit loans because required collaterals are commonly owned by men. The finding by Pelleberg (2011) is not in line with the findings in this paper that Nanguruwe and Mduwi female VICOBA members were able to own different assets including land and other assets though it was not clearly stated whether it was a result of their ability to challenge the existing customary law (i.e. Customary Law Declaration Order of 1963). Moreover, it was evident that people of Nanguruwe and Mduwi Villages were motivated to join VICOBA because they appreciated the ability of their fellows to acquire resources ensured by VICOBA. Mkombe (2005) argued that as means to acquire capital for small scale investment, indeed VICOBA played intended function of empowering its members economically by allowing them to acquire resources.

5.5 Supporting the Family

As means to provide capital for investment, VICOBA gave women the opportunity to enhance their economic capacity to support their families and assist them in solving household economic challenges. It was reported in the findings that through VICOBA, women had access to capital which in turn enabled them to initiate and conduct their own small scale businesses like selling fish, making and selling local brews, conducting tailoring works, selling water and other retail goods. In turn these economic activities enabled them to support their families financially. The finding is in line with that reported by Ahlen (2012) who asserted that the majority members of VICOBA experienced an increase in income because, loans taken for agriculture and business lead to increased profit and enabled them to support their families financially.

5.6 Changing Roles

VICOBA loans enhanced economic capacity of women and enabled them to increase their ability to manage their households solely or in collaboration with their husbands. The ability of managing households as a result of women's participation in various economic activities brought changes in their roles from being homemakers to bread winners or both. Through this research paper, several changes that range from having access to financial resources, ownership of properties like plots, farms, initiating some small scale businesses like tailoring shops, building houses and assisting the family by providing it with some necessities; were observed in the lives of VICOBA women. This was confirmed by both VICOBA and Non-VICOBA members. It was reported that women who were once housewives and depended on their husbands to provide for the households, were able to acquire loans and invested in different entrepreneurial activities. This enabled VICOBA women to become more economic active members to manage their families independently. Nanguruwe and Mduwi women felt proud of the current role they play in their families. Mtwara women felt proud for being economic active members of their families and community at large which is contrary to Dobra (2012). It was argued that women who took loans from VICOBA did not invest in businesses instead they built houses and supported their families by paying up school fees and other basic needs which limited their abilities to fulfil their goals (Dobra, 2012).

5.7 Increased Confidence

VICOBA women enhanced their economic power through investment. Economic power was viewed from women's increased ability to own assets, initiate own plans, set up a family budget and implemented independently. This increased women's confidence. For example one male participant pointed out that before VICOBA his wife did not have the audacity to prepare a household budget on her own. He added that VICOBA capacitated his wife to plan the budget and contribute some amount of money for the family. It was also found that through VICOBA, women got an access to money, invested and learnt how to manage their income. This corresponds to Kato and Kratzer (2013) who found that participation of women in VICOBA did not only allow them to have access to financial resources but also increased their confidence. It is because women were able to act independently by managing many things without requiring much assistance from their husbands. Moreover, when VICOBA meetings are used as a platform for members to practice their leadership skills, can lead to increased women's confidence to the extent that they can be able to take up positions in the groups and extend to political leadership.

5.8 Improved Communication between Couples

Participation of women in VICOBA gave them economic power which in turn improved relationship between couples. When women had no financial power because of being either housewives, farmers or when they were conducting small scale businesses which were not very beneficial to the family, they were rarely consulted or involved by their husband in making

families' economic decisions. Findings of the research on which this paper is based, reported that women who participated in VICOBA were consulted by their husbands in financial issues because loans taken by them were sometimes used to invest in family businesses. This signifies that although many VICOBA members were women, but also male members participated either directly or indirectly by assisting their wives with money for buying shares. Pelleberg (2011) reported similar findings that women who joined lending groups expressed that their household decision has improved. Moreover, it was argued that an increase of capital accumulated through families' businesses helped them to increase their financial decision-making within the household and improved negotiation power. It was also reported that some women had joined VICOBA as a result of being assisted by their husbands in terms of buying shares.

5.9 Solving Marital Problems

The economic capacity of women which was strengthened through VICOBA resulted into an increased ability of contribution to the families' economy. This enabled women to be valued, appreciated and treated well. Research findings, on which this paper is based, reported that inability to contribute financially to the family caused some women ridiculed and ended up in conflicts with their husbands. The situation changed when women started to participate in different economic activities as a result of VICOBA. As a result, their contribution to the family leads an increase of harmony and love hence improved their self-esteem as well as self-efficacy.

6.0 Relevance of the Structural Functionalism Theory in Mtwara District

According to Merton's structural functionalism theory, a social institution like VICOBA can have manifest of empowering women economically. The findings of the research on which this paper is based, confirmed that VICOBA is a place where members become courageous and built in mutual supportive habit. It was further proved that VICOBA is a place where individual livelihood and interpersonal relationship were bettered. This means that VICOBA not only provided its members with financial support but also created a platform where members' behaviours and practices were strengthened. Furthermore, the findings revealed that VICOBA members who were very shy and couldn't contribute a point in any gathering, as the effect of VICOBA became comfortable in gatherings and were able to contribute their views. This implies that VICOBA helps to transform women's attitudes and behaviour to the extent that they become capable of handling other matters in their families and enhanced the ability to express themselves in other spheres. Through a small loan granted to a micro entrepreneur for investment, it generates an income and eventually increases the purchasing power, as well as social recognition. With these empirical evidences, the Merton's structural functionalism theory was proved by the people of Mtwara District.

7.0 Implication To Research and Practice

VICOBA is one form of microfinance which focuses in fostering participant's ability to innovate and manage viable income generating activities (MoFEA, 2009). Therefore research findings on which this paper is based intend to provide empirical information about VICOBA as means of economic and social empowerment for people particularly women in Mtwara District Council. The findings will contribute to the achievement of Millennium Development Goal number 5 and the National (Tanzania) Strategy for Growth and Reduction of Poverty.

8.0 Conclusion

Generally, findings from the research showed that VICOBA has social function which allowed adaptation and adjustment of various systems that existed in the society especially in Nanguruwe and Mduwi villages. This means that while VICOBA as a social factor were implemented to capacitate people especially women economically as its intended consequence, they also had some hidden or unintended consequences i.e. social empowerment in the lives of rural women that were both considered to be functional to VICOBA members themselves and the wider community. Additionally, the findings showed some consistence with previous studies which had the view that participation of rural women in microfinance lead to an increased self-esteem through increased respect, building a sense of social-worth as well as enabled them to overcome disgrace. Also participation of women in VICOBA lead to the increased self-efficacy by allowing women to acquire resources, changing their roles, increased confidence, improved communication between couple, building a sense of community, transforming gender relations and increased ability to solve marital problems.

9.0 Future Research

While the findings presented in this paper are based on the survey conducted in Mtwara District specifically in two villages of Nanguruwe and Mduwi using qualitative approach, it cannot be generalized for the entire District, Region or Country. Therefore another study using the same approach need to be conducted to find out whether the same can be observed in other areas to generalize the findings.

ACKNOWLEDGEMENTS

The authors of this paper thank the respondents and focus group discussants who spared their precious time to participate in the research.

References

- AKF (2014). Community-Based Savings Groups in Mtwara and Lindi.Tanzania. Author.
- Ahlen, M. (2012). Rural Member-Based Microfinance Institutions - A field study assessing the impacts of SACCOS and VICOBA in Babati District, Tanzania (Unpublished Thesis). Södertörn University.
- Bandura, A. (1977). *Self-Efficacy: Toward a Unifying Theory of Behavioral Change*. *Psychological Review*, 84(2), 191-215.
- Creswell, W. J. (2007). *Qualitative Inquiry and Research Design: Choosing among Five Approaches* (2nd Ed). USA. Sage Publications, Inc.
- Dobra, A. (2011). Microfinance: Champion in Poverty Alleviation and Failure in Female Empowerment. *Internationale Politik und Gesellschaft*, 3(3). 134-144.
- Kato, P. M., and Kratzer, J. (2013). *Empowering Women through Microfinance: Evidence from Tanzania*. *ACRN Journal of Entrepreneurship Perspectives*.2 (1) 31-59.
- Macha, L. J., and Mdoe, N. (2002). *Gender and Rural Poverty in Tanzania: Case of Selected Villages in Morogoro Rural and Kilosa Districts*. United Kingdom. UK Department for International Development.
- Mkombe, D. A. (2005). Evaluation of Village Community Bank Groups in Matombo Ward -Morogoro Rural District. (Unpublished Thesis). The Open University of Tanzania & Southern New Hampshire University.
- MoFEA (2009). *Survey Report on the status of Village Community Bank (VICOBA) in Tanzania*. Author.
- Pelleberg, A. (2011). Examining the Potentials for Women's Empowerment through Micro-Credit Lending - A Case Study in Tanzania. (Unpublished Thesis). Lund University.
- Ritzer, G. (2010). *Sociological Theory* (8th Ed). New York. McGraw Hill.
- Taylor-Powel, E., and Renner, M. (2003). *Analyzing Qualitative Data*.USA. University of Wisconsin.
- Woods, M. (2011). Interviewing for research and analyzing qualitative data: An overview. New Zealand. Massey University.