THE ROLE OF MICROFINANCE IN POVERTY ALLEVIATION AMONGST FINANCIALLY DISSADVANTAGED WOMEN IN ZIMBABWE: A CASE STUDY OF THRIVE MICROFINANCE (2012 – 2017)

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ABSTRACT

The study examined the impact of microfinance on the lives of the poor in Zimbabwe. The purpose of the study was to observe that what role micro credit plays in Zimbabwe on living standards, empowerment and poverty alleviation in poor women. The study was conducted in two branches of Thrive Microfinance that are in Harare and Chitungwiza. The research was based on questionnaires which were distributed to the clients of both branches of Thrive Microfinance. The sample size for this paper was 60 respondents who were on different loan cycles from the two branches and 20 respondents from the control group. The questionnaire and interview questions designed were in relation to the secondary objectives of the research which are to examine the extent to which microfinance institutions are alleviating poverty in poor women, assessing the support by microfinance to small and medium enterprises operated by women, support of microfinance in empowering women and recommendations to various stakeholders concerned based on the drawn conclusions. Overall we can say that training and education, nutrition and adequate food, accommodation, income and savings are important factors of poverty reduction. The results that have been analyzed with microfinance permit the following conclusions: almost all the clients reported an increase in their incomes which has improved their standard of living, have been able to pay for their medical bills and can feed their families, can cope with future crises using their savings, have been empowered economically and their positions in the family as well as in the society. All the research results were stemming from the improvements that these small loans brought to the SMEs operated by women. From the results of the study, microfinance is proving to be a successful tool for poverty alleviation but however, strict regulations have to be put in place to achieve their intended mission. Suggestion for further studies include efforts that MFIs can employ to instill a savings culture, maintaining savings balances and repayments performances of the microfinance customers. Moreover, there is a need to assess the effectiveness of microfinance development package schemes in the

promotion of targeting the poor and sustainability of micro financial institutions in serving the poor. The researchers had limited time to go in-depth with these factors

Key words: *Microfinance, Poverty Alleviation, Women, Zimbabwe*

1.0 INTRODUCTION

In Africa, the poor and marginalized households have fewer financial institutions that exist to serve them and if available, the products and services offered are in some way inappropriate to them. There is always the need to embark on strategies which fosters for financial inclusion. Financial inclusion is generally the provision of a wide range of financial services at affordable cost to the majority of the population or all initiatives that makes formal financial services available, accessible and affordable to all segments of the population (Triki and Faye, 2013). It enables households and micro, small and medium enterprises to engage in income generating activities which improve their economic welfare and is best achieved through micro-financing. Microfinance has received a lot of attention since its inception in the early 1970s perhaps, as argued by Okiocredit (2005), due to the ability of microfinance to enable poverty alleviation and economic development through provision of credit and other financial services to those earning low income. The attention has seen development of different definitions to microfinance. Microfinance was defined as the provision of financial services to low income poor and very poor self-employed people (Otero, 1999). On the other hand, Schreiner and Colombet (2001) defined microfinance as “the attempt to improve access to small deposits and small loans for poor households neglected by banks.” Independent of the definition provided to microfinance is that it is the general agreement in the economic-field that micro financing fosters economic development. The money or funds that are provided by microfinance institutions in terms of credit and micro loans enables those who are poor and unbanked to invest into productive activities that are bound to earn them income helping them boost their economic level and alleviate poverty in the entire economy. Thus the study is based on the case study of Thrive Microfinance on the extent to which they are fighting financial exclusion as well as reducing the poverty levels in women. The researchers intends to undertake the study in the two branches of Thrive that are in Harare and Chitungwiza.

1.1 Relevance and Timeliness of the Study

There is a gender gap in developing countries which is estimated at 9 percentage points thus 59% of men reported having an account in 2014, while only 50% of women did (World Bank, 2016). Thus financial inclusion remains a prerequisite for a sustainable economic growth and development hence reducing poverty. However, the traditional banks are not willing to take the risk because they rate the sector ‘credit unworthy’ (Mago, 2013). This scenario has created a huge gap that gets filled by private moneylenders who usually charge usurious rates of interest hence exploiting the vulnerable poor people. From various observations, some groups that were found more financially excluded than others are women, rural poor, and other remote or hard-to-reach populations, as well as informal micro and small firms are most affected. In Pakistan, the microfinance is somehow seen unclear as to the positive impacts that they have especially in poor women. In Zimbabwe, microfinance institutions have been established and operating with the ultimate goal of poverty reduction through financial inclusion, however some are charging high interest rates and with models that do not fit the poverty alleviation element in microfinance. Although microfinance programs and institutions have become increasingly important safety nets of the poor, knowledge about the achievements of these strategies remains only partial and controversial. According to Bamlaku Alamirew (2006), several studies indicate that microfinance efforts has positive impacts in reducing poverty (Holcombe, 1995; Hossain, 1988; Remenyi, 1991; Schuler, Hashemi and Riley, 1996; Hulme and Mosley, 1996; Pitt & Khandker, 2003 and Khandker, 2003). On the other hand, there are studies that indicate pessimistic kind of result on the impacts of microfinance program initiatives towards reducing poverty (Buckley, 1997; Montgomery, 1996; Rogaly, 1996; Wood and Shariff, 1997). More importantly in Zimbabwe, where this study was conducted, studies on microfinance as a powerful tool regarding its success in developing the lives of the poor through the support of women micro-enterprises are very little. Therefore, this study was designed to fill this gap.

1.2 RESEARCH OBJECTIVES

In carrying out this research, two sets of objectives will be underscored. This is the primary objective and secondary objectives.

1.2.1 Primary Objective

The primary objective of the study is to evaluate the extent to which microfinance has fostered poverty alleviation of the financially disadvantaged women in Zimbabwe.

1.2.2 Secondary Objectives

To augment the primary objective, the following secondary objectives were derived;

i. To examine the extent to which microfinance institutions are alleviating poverty in poor women.
ii. To assess the support by microfinance to small and medium enterprises operated by women.
iii. To study the influence of microfinance in empowering women in making house hold and economic decisions.
iv. To make recommendation to various stakeholders concerned based on the drawn conclusions.

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

2.1.1 Market driven microfinance lending approach

The market driven microfinance lending approach is centered on sustainability of the MFIs themselves by paying close attention to the demands of the market. This view is justified by advocates in several ways but broadly they argue that MFIs are most effective when they stick to their core competency of providing financial services (Beaudry, 2008). Advocates such as the pioneer of the approach, ACCION, argue that providing the best possible financial services to poor clients ensures their economic success, thereby providing a stable and sustainable base for the institution to continue providing services (Beaudry, 2008). These advocates believe that lack of credit is the primary structural condition of poverty. Beaudry (2008) argued that, contrary to reality, the assumption misses the fact that conditions of poverty, such as hunger, lack of business know-how or restricted market opportunities often prevent recipients from effectively using their loans for entrepreneurial ventures. Although the financial sustainability of the MFI is the ultimate goal of the market driven lending approach MFIs, it is not the case that all MFIs practicing this approach are entirely financially self-sustaining (Beaudry, 2008). Only a minority of microfinance institutions operate without donor subsidies, though they represent a very large market share. Critics of the approach argue that focusing on MFI sustainability only, subordinates the needs of borrowers to those of institutions. As a result, MFIs end up looking more like debt collectors than service providers. In such conditions, MFI sustainability will be stressed upon at the expense of the livelihoods of its clients.

2.1.2 Socially driven (Credit-Plus) microfinance lending approach.

Socially driven microfinance lending approach, also referred to as the “Credit-Plus” approach, focuses more on client sustainability although MFI self-sustainability is equally important (Beaudry, 2008). According to the UN Secretary General, the absence of long-term sustainability will result in microcredit operations becoming a welfare or charity operation (UN, 1997). The advocates for the credit-plus approach postulates that providing only financial services, including credit, are not enough to eliminate poverty. As Beaudry (2008) puts it, the approach incorporates and emphasizes the importance of “economies of scope” as opposed to “economies of scale” insofar as it strives to maximize the necessary benefits to people instead of maximizing the number of people who can receive the minimum benefits. Under this approach some MFIs provide additional services alongside microcredit programming. The services can range from financial literacy and entrepreneurship development to health care and women’s empowerment programs. However, critics argue that where additional services are integrated directly into microfinance programming, this can lead to dependency and greater vulnerability to abuse (Beaudry, 2008). For example, individuals who are interested in an MFI’s complementary services but who have no need for a loan may end up borrowing in order to access these programs, or MFIs may use the threat of losing essential services to encourage repayment, and borrowers requiring critical services may lose access to them if they miss a loan payment. Therefore, both approaches have strengths and weaknesses, at best; they both help to create access to financial services for their clients. At worst, they can both contribute to conditions of poverty (Beaudry, 2008). In the current microfinance operation, the distinction between the two approaches has been unclear. Several MFIs that previously adhere to the market oriented lending approach to microfinance have begun to twist their operations to appear pro-poor and to ensure that loans are having the desired social impact. On the other hand, some MFIs whom were known to be socially driven are now maneuvering towards pure banking approach, thus concentrating on their sustainability in the expense of the original client sustainability approach (Beaudry, 2008).

2.2 Empirical Literature Review

2.2.1 Studies in Turkey

A study on the importance of microfinance in fighting poverty in Tanzania was conducted by Kandemir and Aktas (2011). Their aim of this study was to show that in-order to attain long term and sustainable solution to poverty which is the most important issue in this era, it is vital to support the poor people who are eager to generate income. These researchers encompass the issue of analyze the effect of employment creation on decreasing poverty by assessing the findings of regression analysis between the number of poor people denoted by green card holders on city basis and the number of enterprise is represented an honorable life through employment. Kandemir and Aktas (2011) alluded that long-term and healthy solution for eliminating poverty is to increase the number of entrepreneurs in cities or regions where poverty is pervasive. According to the research, 59% rate of people with a green card (health card for uninsured people in Turkey), which signifies the poverty on a city basis would be best explained by the number of entrepreneurships per capita in cities. One of the ways to increase the number of entrepreneurships is micro credits, which will be advanced to entrepreneurial-spirited poor people, and particularly poor women. This view is in conformity of the 1983 move by the Government of Bangladesh when it established the Grameen Bank which provide loans for poor people especially for women to perform this implementation through an official channel (TİSVA, 2009). In recent years, microcredit implementation is on hyper, and is applied in many countries as it is proven to be one of the key drivers to poverty reduction (Kandemir and Aktas, 2011). Services offered by these microfinance will be tailor made to suit the target population in a sustainable and socially responsible manner.

From the insight of their research, Kandemir and Aktas (2011) postulates that there is need for efforts which reduces income disparities among the Turkish economy. According to OECD Factbook 2010, in the middle of 2000's, the countries with the worst income distribution among OECD countries are Turkey and Mexico. Results of the 2008 Income and Life Conditions Survey of Turkish Statistical Institution (TSI), indicates that in Turkey, one out of every five in other words 20 percent of population who with the least income are considered as poor. This great inequality of income distribution is one of the most important factors that reinforcing the poverty (Kandemir and Aktas, 2011). Hence the need to improve the accessibility of financial services to the poor people with entrepreneurial ideas is crucial in boosting their incomes. Considering the goal of poverty alleviation, care has to be practiced so as not to worsen off to living standards of the poor. Kandemir and Aktas (2011), upheld the view of Bakhtiari, (2006) that credits with reasonable interest rates give poor people the opportunity to establish their own small businesses. When poor people obtain income by establishing their own entities, this will also break the vicious cycle of poverty (Latifee 2003; Nader, 2008). While according to Latifee (2003), micro-finance programs encourage human capital investments, such as education, Nader (2008) stresses that increasing in the income and assets of women who use micro credit, increases their economic independence and self-confidence as well. In addition, microcredit services has got positive implications on the welfare of the whole household because micro credit contributes to the redistribution of income as well as to the growth of local income (Khandker, 2003).

In their study, Kandemir and Aktas, (2011) constructed a simple regression model to show the poverty decreasing effect of employment opportunities. In this model, the number of poor citizens which is used as the dependent variable is expressed in terms of the number of green card (health card for uninsured people in Turkey) holders in cities. The number of entrepreneurships in cities, which was the independent variable, represents the cities which were denser populated with people with high entrepreneurship potential relatively high number of people with opportunities and potential for entrepreneurship in a city increases the number of enterprises in that city, it will decrease poverty.

This view has come in contradiction to the direct methods of poverty alleviation based on a welfare state which were abandoned from the beginning of the 1980s onwards as they increase the load on the budget and also posing the risk of creating a dependence syndrome. Similarly, Taşçı (2008) outlined the negative aspects of social aid as in addition to psycho-social outcomes of these aids, such as labeling and humiliation which may also cause laziness and dependence, and can be abused or may violate human rights. Moreover, it was stressed that in Turkey active social policies developed to help people who receive aid within the social aid system to become producers and to increase their opportunity of employment have proved insufficient hence there was a need for indirect methods in reducing poverty which fosters for economic growth through decreasing the unemployment problem, which is an important factor in poverty.

This research concluded that a unit increase in the per capita number of entrepreneurships decreases poverty by 10.48 units. The result shows that there is need to embrace microfinance in supporting entrepreneurship so as to increase employment opportunities which results in poverty reduction in Turkey. The philosophy underlying micro credit hence become, "to teach the poor to catch fish instead of giving them some". Supporting entrepreneurship will allow creating income which is required by poor people for living an honorable life on the one hand, and the other playing an important role in regional development by giving rise to increase in employment and local demand (Kandemir and Aktas, 2011). However, microfinancing cannot serve solely as a poverty alleviation tool, hence there is need for a fusion of aids. This has come in the form of social-aid organizations such as Kiva and Lend with Care which are partying with microfinance institutions in delivering funds to the targeted group of the poor at national level.

2.2.2 Studies in China

There are some vital studies undertaken by Yuqing (2007), in China on the effects of microfinance in poverty eradication. The Chinese government adopted poverty reduction as one of its priority goals, especially with emphasis on poor villages and households since the mid-1990s. In order to achieve this goal, the microfinance sector has been put forward as the best tool available. From the studies of Yuqing (2007), China has taken some phases in the adoption of microfinance as it was absolute that it can really bring positive outcomes as far as poverty alleviation strategy. The first period was actually named the experimental stage and it stretched from 1993 to 1996 but before, there was an earliest microfinance project in China was named North Grassland and Stockbreeding Development Project which was implemented by IFAD (International Fund for Agricultural Development) in 1981. The real microfinance was established in 1993 and in this period, microfinance activities were mainly funded and supported technically by international grants and soft loans from government. These projects operated mainly by NGOs or semi-NGOs and they basically replicated the Grameen Bank's model and mainly used the 'Group Lending' methodology, with a small proportion using 'Village Bank' or 'Individual Lending' (Yuqing, 2007). As the name insist, experimental stage was characterized with few players and the incentive for initiative was slim and they were just mimicking the Grameen Bank's methods of delivering services.

The second period was from 1996 to 2000 and by this time the Government of China was in full swing in supporting the microfinance activities as it was stressed in the Millennium Development summit. There was a rapid sprouting in the number of players in the microfinance sector which comprised of government and non-governmental organizations. Most of these projects began in rural areas, but microcredit to laid-off workers in urban areas also started at this stage. However, the rapid growth of microcredit propelled by government in this period left a huge risk of bad debt for the future. Thus, due diligent of the players will be compromised as the pressure from the state always result in adverse selection and moral hazard effects.

Yuqing (2007) entails the third period as that of rapid expansion in the microfinance sector which is from 2000-2005. The Chinese government formulate some financial inclusion programmes and took more emphasis on it. This was in an attempt to tackle the problem that rural residents cannot obtain loans, rural cooperative financial institutions, including Rural Credit Unions, rural commercial banks and rural cooperative banks, began to provide microcredit loans and group inner-guaranteed loans with funding from the People's Bank of China. The scale of microcredit boomed dramatically in several years and the goal of microfinance had been extended from poverty reduction to provision of financial services to rural households and micro companies. The initiatives were now better due to competition and there were manifestation of innovative products which include the Credit Certificate system were the credit history of the individual was recorded and it forms a credit management document in the credit village (Yuqing, 2007).

The period from 2005 ongoing was the full commercialization of the sector. Thus microfinance entered into a new stage in China, which is labeled as 'exploring commercial microfinance' (Yuqing, 2007). There was a document issued by the China Banking Regulatory Commission issued a document which had guidelines for expansion in the direction of microfinance. After the encouragement by the regulatory commission to extend loans to micro-companies, most of the commercial banks began to attach to microfinance section. In recent years financial authorities seem to envisage a new path that microfinance could balance between 'social aims and commercial goals' and achieving both extensive coverage of the poor and financial sustainability of microfinance institutions in future. From the study of Yuqing (2007), cited Jiao (2006) who brought some statistical findings which postulated that the amounts of microfinance products were still relatively small.

As cited by Yuqing (2007), there was a research done by Wu Guobao in 2001 and the researchers postulate the main contributions of the microfinance sector to the targeted people which encompasses improved opportunities for credit and training, asset accumulation, risk reduction, women empowerment and employment creation. From the study, Guobao (2001) assets that the microfinance sector is striving much as far as its contributions are concerned, for instance, 82% of the surveyed households believed that this training had a positive influence on their loan utilization, especially on training of how to use new seed and new agriculture technique in the farming side (Guobao, 2001). Thus microfinance prove to be an effective tool and should be properly implemented so as to enjoy the benefits.

Conclusions from the study of Yuqing (2007) entails that the microfinance sector is extremely mixed due to the specific political, social and economic environment. The formal financial institutions are dominant in this area, which is different from international cases. This poses a risk of departing from the original target of serving the poor Yuqing (2007). This is seen when it is difficult to differentiate microfinance from small businesses as they will be stressing more on profit making thereby exploiting the poor, making their livelihood worse off.

The researchers also pinpointed that there is more confusion in the microfinance sector there is no evidence that the Chinese economy cannot find a mature model of microfinance and simply replicate it. This is due to its special political and economic regime. In addition, as one of the instruments against poverty, microfinance cannot replace other investments in infrastructure, social security and education. Hence in a large economy like China, microfinance itself is not enough to pull millions of the poor out of poverty (Yuqing, 2007). In conclusion, the microfinance in China had not been yielding much impact and is still a questionable tool in achieving sustained reduction in poverty levels.

2.3.3 Studies in Tanzania

Nsanganzelu (2015) conducted a research in Dar es Salaam, a major city and commercial port on Tanzania's Indian Ocean coast and the Dar es Salaam Commercial Bank was used as the case study. From this study, it was found that Dar es Salaam Commercial Bank contributed to the reduction of poverty and vulnerability of poor through enabling them to break the vicious cycle of poverty and also enabling them to enhance self-empowerment, respect and social dignity (Nsanganzelu, 2015). As cited by Nsanganzelu, 2015, in the research undertaken by Latifee, 2003, important factors promoted by microfinance encompass investment in human capital, like schooling, raises awareness to reproductive health and increases both individual and household welfare. Thus, microfinance spearhead for the betterment of the poor people who always lack not only in financial support, but also other areas of life which encompass social aspect. In his research, Nsanganzelu, 2015 used a population which comprises of credit beneficiaries residing within Dar es Salaam, with DCB employees both at the headquarters and the bank branches, amounting to 400. The researchers used questionnaires to collect information and from the findings microfinance was seen as a sector which is playing a crucial role in poverty reduction in the urban society of Dar es Salaam, and this may be replicated to other areas in the country. The findings entails high positive results in terms of creation of employment, increase level of income, asset accumulation, improve borrowers living standards, create awareness to borrowing and resettlement, and promote respect and social dignity (Nsanganzelu, 2015). This clearly alludes the need for a proper setup of the microfinance sector so as to yield positive outcomes. Moreover, the regulation authorities must ensure growth while protecting consumers to accelerate the implementation of inclusive financial systems since microfinance institutions (MFIs) are the drivers of the economic growth (TAMFI, 2016).

Nsanganzelu, 2015 also cited Mamun (2011) who examined the effect of Malaysia's microcredit program on hardcore poor households' microenterprise income in Peninsular Malaysia. The study concluded that a diversified program should be undertaken with special focus on providing adequate training, flexible and diversified loan programs, and increasing outreach (Mamun, 2011). These goals are achieved when the regulatory authorities set flexible regulatory guidelines and also for better coverage, group guarantee methodology should be utilized. In this research, it was seen that microfinance services have increased the capacity of the poor to overcome financial vulnerability. Most of the entrepreneurs were acknowledging the benefits they realize from credit utilization. It was alluded that, many credit users have met household needs like food, medical and education hence improvement in their standards of living. Thus, the majority of the borrowers in Dar es Salaam rated the wellbeing of the household as high and moderate after credit utilization as opposed to low and moderate before using credit facilities in the household (Nsanganzelu, 2015). This research alludes to importance of loan utilization visits as it encourages hardworking and good loan use hence fighting the problem of moral hazard.

From the conclusions of Nsanganzelu, 2015, micro-credit facilities has positively contributed to the wellbeing of many people in Dar es Salaam which include expanding and developing their income generating activities, enhancing their bargaining power and interests within the household and support payment of household necessities like food, medical care and education (Nsanganzelu, 2015). However care should be always practiced in micro-credit facilities so as to reduce unscrupulous activities such as like high interest rates, little time of repayment and harsh collection methods which can worsen the position of the poor. Regulatory authorities should closely supervise the microfinance operation in order to safeguard the targeted population from being exploited.

3.0 METHODOLOGY

This study made use of a descriptive research design which is adopted because it is less costly and easy to use in interpreting the actual observations and the relationship that exists between the variables. This was carried out to describe the role played by microfinance in poverty alleviation of the financially disadvantaged women in Zimbabwe with a case study conducted at Thrive microfinance. Descriptive research design and regression models were also chosen for it helps to explore relationship between the microfinance services and the number of women who witnessed a change in their poverty levels as a result of accessing credit. It also helped in describing the relationship between microfinance services and women empowerment as well as entrepreneurial support to women. Also it was used because it involves the use of questionnaires and focus group discussions. These were used to arrive on the conclusion on the role being played by micro financial institutions in transforming lives of the poor. Thus, the study undertaken by the researchers is based on survey research.

The geographic scope of this study was limited to participants from mainly Chitungwiza and Harare being relatively effluent cities where women are more likely to engage in self-employment and also where the two branches of Thrive Microfinance are located. Thrive microfinance was conveniently chosen because this is where the researchers was working for the whole year of industrial attachment. In order to set up a counterfactual for the evaluation, a sample of twenty non-client micro entrepreneurs who met Thrive’s basic eligibility criteria were selected and interviewed. Non-clients were matched to clients according to geographic community, gender and enterprise sector.

In this study the researchers’ sample was made up of Thrive’s borrowers and twenty independent non-borrowers based in Chitungwiza and Harare. Thrive microfinance is a developmental microfinance institution in Zimbabwe which is there to provide credit and trainings to women in a manner that is socially responsibility and financial sustainable. Respondents from the micro finance institution’s borrowers and non-borrowers were randomly selected. In general terms, sampling enables the research to study a relatively small number of units in place of the target population and to obtain data that are representative of the whole target population. Thrive mostly employs group lending and a few individual lending which is very strict practice. With the commencement of operation in 2012, Thrive has approximately extended credit to five hundred groups with an average of four women per group. Majority of Thrive’s clients are highly illiterate, hence the researchers used an assertion that out four members in a group, and at least one is literate. Basing on this assertion and on a limited timeframe, the researchers obtained data from respondents by the distribution of a total of sixty questionnaires for Thrive borrowers as well as twenty for non-client micro entrepreneurs who met Thrive's basic eligibility criteria.

The researchers used stratified research sampling to select participants of focus group discussions. Stratified sampling technique was used to select respondents from the borrowers according to their business activities because it makes a fair representation of the population characteristics and had minimal bias since it is probabilistic in nature. In this research the researchers grouped respondents into distinct strata's of types of business activity and then randomly selected the representatives of each group.

4.0 ANALYSIS, PRESENTATION AND DISCUSSION OF RESULTS

4.1 Introduction

The purpose of interpreting the data is to reduce it to an intelligible and interpretable form so that the relations of research problems can be studied and tested, and conclusions drawn.

4.2 Analysis of Response Rate

The response rate obtained from questionnaires and interviews is analysed with an attempt to justify the validity of the sample.

4.2.1 Interview Response Rate

Interviews provides impromptu and unfiltered responses, thus for this study area, 60 interviews were scheduled to the respective respondents who are borrowers of Thrive Microfinance and 20 non-borrowers were interviewed. Table 4.1 illustrates interview response rate from the respective respondents.

Table 4.1 Showing Response rate

Respondents	Interviews Scheduled	Interviews Conducted	Response Rate
Borrowers	60	60	100%
Non-Borrowers	20	20	100%
Total Respondents	80	80	100%

Source: Primary Data

Sixty interviews were scheduled and conducted. The researchers utilizes mid-loan review meetings which are contractually agreed in Thrive's contract and was able to conduct all the interviews as per schedule. The 60 borrowers were from women who are already active borrowers at Thrive Microfinance. 20 non-borrowers were women who stay and conduct their business in the same area as the borrowers who were interviewed. They were picked randomly from the same community as those of the borrowers.

4.3 Presentation, Interpretation and analysis of Results.

This section analyses the questionnaire and interview responses in line with the set objectives and it tries to answer the research questions.

4.3.1 Demographic Information of the respondents.

All the respondents are women who run their own businesses.

4.3.1.1 Borrowers (Focus Group)

Table 4.2: Demographic characteristics of respondents (focus group)

Variables	Measuring Group	Frequency	Percentage (%)
Age (years)	18-35 years	24	40
	36-45 years	23	38.3
	46-55 years	9	15
	Over 55 years	4	6.7
	Total	**60**	**100**
Educational Level	Primary	8	13.3
	Secondary	37	61.7
	Diploma	8	13.3
	Degree	7	11.7
	Total	**60**	**100**
No. of family members	Less than 4	30	50
	4 to 6	28	46.7
	7 or more	2	3.3
	Total	**60**	**100**

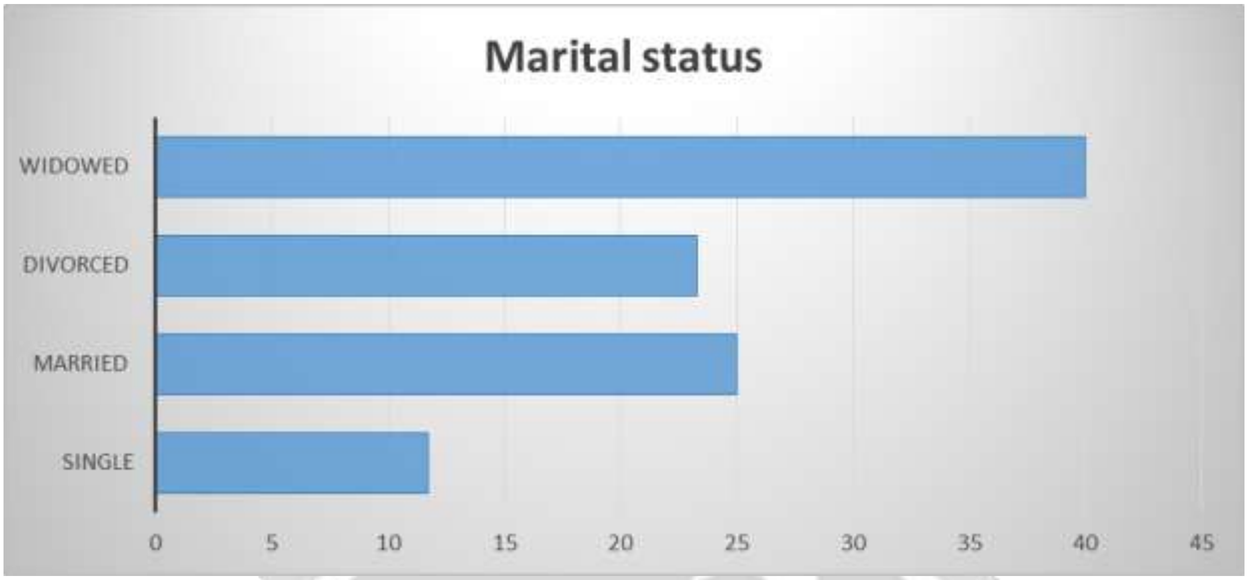
Source: Primary Data

With regard to the demographics of the respondents, all the borrowers of Thrive Microfinance are women. Therefore, the respondents were all female. The reasons for targeting women by Thrive include the issue of gender discrimination which is one of the major causes of poverty, slower economic growth, weaker governance and lower standards of living and women are poorer and more disadvantaged than men. However, they believe that women contribute decisively to the wellbeing of their family comparatively more than men. In terms of age, 40% of the respondents were in the age group of 18 to 35 years which is the range regarded as youth by Thrive in its youth programmes. 38.3% were in the age group of 36 to 45 years. 15.0% were in the age group 46 to 55 years and the remaining 6.7% were 56 years and above.

The respondents also classified in terms of their level of education since, it could affect the way in which they manage and live their daily lives and manage the household and business. From this survey, 8 of the respondents acknowledged to have done only primary education (grade 1-7), which represents 13.3% of the respondents. 61.7% had secondary educational experiences (form 1-4), 13.3% reached diploma level and only 11.7% had higher levels of education (degree).

With regard to their numbers of families, the analysis shows that 50% of the respondents had less than 4 members in their family, which indicates that respondents were the unmarried up to those married with 2 children, 46.7% had 4 to 6 members and 3.3% had more than six members. The researchers tried to find out how many family members each respondent has, because a large family size usually has higher expenses than a smaller family.

Fig 4.1 Marital status (Focus group)



Source: Primary Data

From the study sample, it shows that 40% were widows who assumes greater responsibility in the well-being of the family. 25% of the respondents were married, 23.3% were divorced and the smallest percentage of 11.7% was that of single ladies carrying their micro-enterprises which mostly include hair salon and selling cosmetics.

4.3.1.2 Non Borrowers (Control Group)

Table 4.3: Demographic characteristics of respondents (control group)

Variable	Measuring Group	Frequency	Percentage (%)
Age (years)	18-35 years	8	40
	36-45 years	6	30
	46-55 years	4	20
	Over 55 years	2	10
	Total	**20**	**100**
Educational Level	Primary	2	10
	Secondary	11	55
	Diploma	4	20
	Degree	3	15
	Total	**20**	**100**
No. of family members	Less than 4	12	60
	4 to 6	6	30
	7 or more	2	10
	Total	**20**	**100**

Source: Primary Data

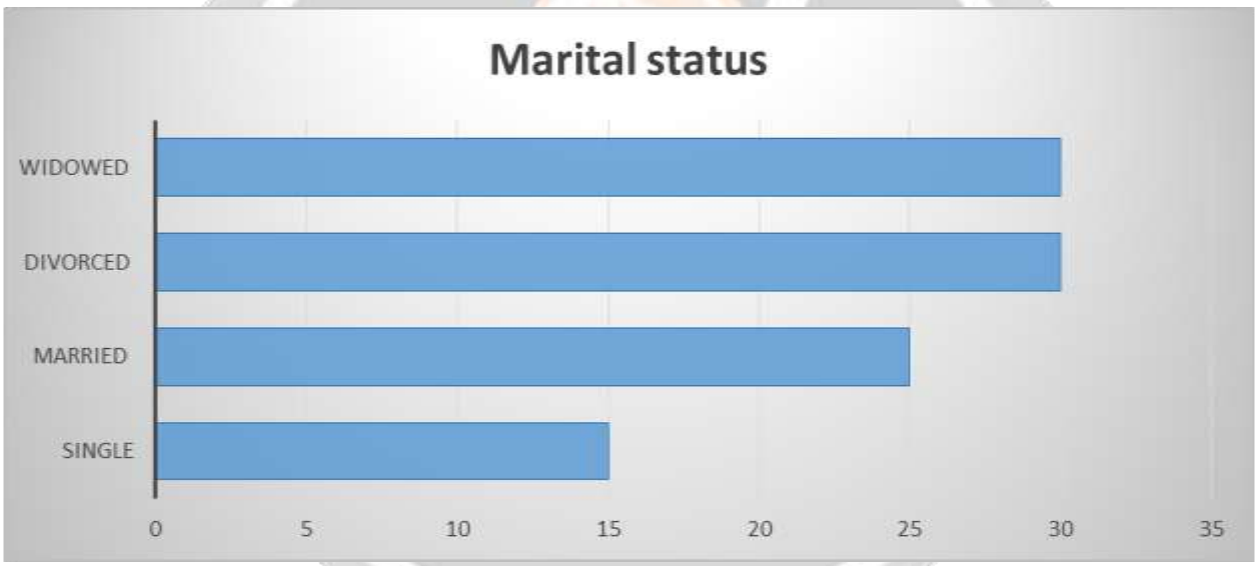
Twenty non-borrowers were interviewed from the same community as the borrowers. The non-borrowers act as a control group in investigating the role of microfinance in poverty alleviation of poor women.

In terms of age, 40% of the respondents were in the age group of 18 to 35 years. 30% were in the age group of 36 to 45 years, 20% from 46 to 55 years and the remaining 10% were 56 years and above.

From the survey, 10% of the respondents only attained basic education (grade 1-7). 55% of the respondents reached ordinary level (form 4), 20% reached diploma level of education and only 15% reached tertiary education.

With regard to their numbers of families, the analysis shows that 60% of the respondents had less than four members in their family, 30% had 4 to 6 members and rest of the 10% had more than six members.

Fig 4.2 Marital status (Control group)



Source: Primary Data

The control group is in conformity with the focus group, as the percentage of the widowed and divorced women are the highest at 30% each. This shows that these women tend to face to more household responsibility. 25% of the respondents were married women and the remaining 15% were single ladies.

4.4 Loan specifications

Table 4.4 Loan product and other specifications

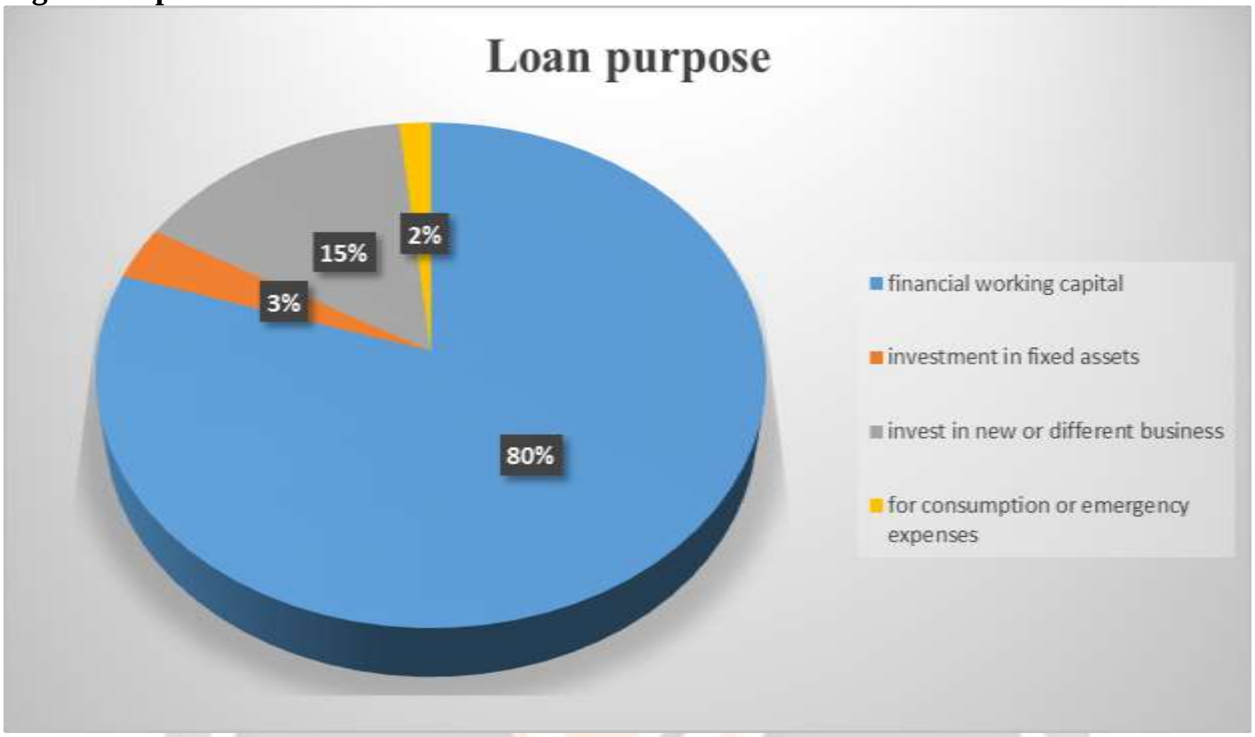
Variable	Measuring group	Frequency	Percentage (%)
Loan product	Group loan	50	83.3
	Individual loan	10	16.7
	Total	**60**	**100**
Loan repayment period	4 months	10	16.7
	6 months	45	75
	12 months	5	8.3
	Total	**60**	**100**
Range of current loan amount	**$100-$275**	8	13.3
	$276-$325	16	26.7
	$326-$500	30	50
	$501 or more	6	10
	Total	**60**	**100**

Source: Primary Data

Out of the sixty respondents 83.3% managed to acquire loans from Thrive in groups. This is the main product of Thrive microfinance as they target to have a significant impact in the target market in terms of coverage. 16.7% were given individual loans which is a new product that Thrive is trying to introduce in the market. Women are given individual loans under serious proof that they cannot form a group of people who really know each other. These circumstances includes one who is new in the area of residents that she do not know her neighbors very well or anyone near her residing place.

In terms of loan repayment Thrive uses any period up to twelve months but usually encourages six month loan repayment period. From the respondents, 75% signed a six months repayment period, 16.7% were on four months repayment period and only 8.3% were on a twelve months period. Loan amounts at Thrive are arranged in terms of the cost of borrowing attached to it. The interest rates offered at Thrive are 3% per month for amount of $275 and below, 4% for amounts between $276 and $325 and 5% for amounts above $325. Thrive also set limits on every loan cycle and the common is $500 on the first loan cycle. The table above postulate that 13.3% of the study population are in the lowest range which is below $275, 26.7% are in the range $276-$325, 50% in the range of $326-$500 and finally 10% had loan amounts greater than $500.

Fig 4.3 Purpose of the loan



Source: Primary Data

Fig 4.3 shows the purposes for which the borrowers seek the loan for. Respondents were not given options to choose from as this would influence their response but were open to give the purpose why they took a loan in Thrive Microfinance mid-loan meetings as Thrive mostly stresses on the duty of transparency to all its borrowers.

In this regard, 80% of the respondents said that the purpose of the loan was to finance working capital, 15% of the respondents indicated that they took a loan to finance a new business, 3% responded that the purpose of the loan was to buy fixed assets for their business and only 2% of the respondents indicated that they applied the loan to meet immediate consumption needs.

4.5. Microfinance in reaching the poor and poverty alleviation

4.5.1 Outreach (Focus group)

Respondents were asked the reason why they specifically approached Thrive rather than other microfinance companies. Respondents were to rank the given reasons in order of importance.

Table 4.5: Outreach of microfinance

Variable	Percentage (%)	Rank order
Collateral requirements	100	1
Cost of borrowing is cheaper	90	2

Training sessions provided	71	3
Application process is straightforward	68	4
Flexible repayment schedule	55	5

Source: Primary Data

All the respondents ranked the collateral requirements as the most important factor that influenced them in applying for a loan. The group guarantee method used by Thrive Microfinance acts as a substitute for physical collateral. All the respondents agreed that this helps them to access loans as they do not have the required collateral to access loan from other MFIs and banks.

Borrowers amounting to 90% ranked the cost of borrowing as the second most important factor that influenced them to apply for a loan. The interest rates offered at Thrive are as low as 3% per month for amount of $275 and below, 4% for amounts between $276 and $325 and 5% for amounts above $325. Borrowers are only charged $7 for the 8 training that they receive. All these charges are communicated to the borrowers at first contact that is enquiry and there are no other implied charges that are imposed to the borrowers.

Respondents amounting to 71% of the respondents viewed the financial training offered at Thrive as an important factor that helps them manage their businesses better than before they accessed the loan. They ranked this factor as the third most important factor. The 15% of the borrowers were indifferent to the trainings and 14% claimed that the trainings consumed part of their business time and they were an opportunity cost.

A total of 68% respondents viewed the application process as the fourth most important factor in application for the loan. The application process takes about 4-6 weeks, that's from the time of first contact with the MFI to the time of loan disbursement.

On flexibility of the repayment schedule 55% of the respondents ranked it as the fifth most important factor that influenced them in applying for a loan at Thrive. Borrowers have an option of repaying the loan in instalments within a period of 4-12 months on a reducing balance basis. Borrowers viewed this factor as important as most MFIs and money lenders offer high interest rates and a short repayment period.

4.5.2 Control group

Respondents from the control group were also asked why they haven't applied for a loan to fund their business and were required to rank their responses according to their importance. The following table represents their views.

Table 4.6: Showing ranking order of respondents the reason for not applying a loan at any MFI

Variable	Percentage (%)	Rank order

Did not fulfil the conditions to have a loan (Collateral requirements)	80	1
Did not need loan (enough own funds)	65	2
Loans are expensive	55	3
Process is complicated	40	4
Other Reasons	25	5

Source: Primary Data

From the interviews conducted, 80% of the respondents from the control group indicated that they did not apply for a loan from any MFI because they did not have collateral that enabled them to access loan to apply for a loan.

There was a 65% respondents rate were interviewees said that they did not need a loan to finance their business and they had sufficient funds to run their businesses.

With regard to what some hear in the community about microfinance institutions, 55% were of the view that loans from MFIs were expensive and could not apply due to the inflexibility and expense of the loan. They gave good examples of daily collection methods practiced by other MFIs such that all daily sells are wiped away by loan repayments hence resulting in the loan being unbeneficial.

The complication of the process was ranked the fourth reason why they did not apply for the loan. 40% of the respondents said that they did not apply for a loan due to the fact that the process was complicated and took a lot of time.

Respondents amounting to 25% gave other reasons why they did not apply for a loan. Their responses were because they did not know a reliable MFI, they don't trust MFIs because they have been tricked by others who claim to be MFIs and therefore lost a lot of money. Other responses were because they relied on their ROSCA for funding and hence no need for a loan.

4.5.3 Microfinance services impact in the lives of the poor (Focus group)

The core existence of microfinance is to reduce poverty levels through financial assistance which are mainly business loans in-order to encourage self-sustenance. Thus the impact on the lives of poor women is centered on the delivery methods and some tangible benefits that the borrower attained as a result of accessing credit. In trying to find this impact, the researchers constructed a regression model to test how microfinance institutions are contributing for the betterment of the poor women particularly to Thrive operations as the case study.

Defining the hypothesis

H_0: $\beta_1 = \beta_2 = \beta_3 = \beta_4$ ………………………….. $\beta_8 = 0$ (all factors have no impact in the lives of the poor women)

H_1: $\beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4$ ………………………….. $\beta_8 \neq 0$ (all these factors have an impact on the lives of the poor)

Thus the regression model should satisfy this equation where:

$Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8$

Where: Y is l feel that these small loans have a positive impact in my life

: X_1 is are the collateral requirements flexible enough and affordable.

: X_2 is the repayment schedule is flexible enough and does not put pressure

: X_3 is are the costs of borrowing lower enough to be met without hardships

: X_4 is the loan process is straight forward

: X_5 is the loan helped me to accumulate my household assets

: X_6 is increase in income level

: X_7 is improved housing conditions

: X_8 is l m now affording to buy clothing and food.

Table 4.7: Coefficients of variables impacting the lives of the poor

Model	Unstandardized coefficients		Standardized coefficients	t	Sign
	B	Std Error	Beta		
(Constant)	0.511	0.434		1.177	0.045
Are the collateral requirements flexible enough and affordable?	0.012	0.117	0.016	-0.104	0.017
The repayment schedule is flexible enough and does not put pressure.	0.136	0.136	0.188	-1.004	0.001
Are the costs of borrowing lower enough to be met without hardships?	0.098	0.121	0.155	-0.804	0.006
The loan process is straightforward	0.188	0.112	0.252	1.67	0.002
The loan helped me to accumulate my household assets	0.295	0.151	0.363	1.952	0.007
Increase in income level	0.202	0.126	0.254	1.601	0.001
Improved housing conditions	0.012	0.138	0.015	0.09	0.002
I am now affording to buy clothing and food.	0.108	0.16	0.118	0.674	0.004

Source: Primary Data

Dependent Variable: I feel that these small loans have a positive impact in my life

From the regression table above, all the factors are significant since all the P values are less than 0.05(testing at 95% significance level). Thus we reject H_0 and conclude that all the factors are significant in making the lives of poor women better.

In an attempt to summarize the above regression model, the researchers used the Anova test basing on the research findings;

Table 4.8 Anova test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	9.384	8	1.173	2.319	0.036
Residual	22.764	52	0.506		
Total	32.148	60			

Source: Primary Data

Since F calculated = 2.319 is greater that F table $_{(8, 60)}$ (0.05) =2.10, we reject H_0 and conclude that all the factors are significant. The anova table tend to supports that all the factors are significant considering our F table value at 8 regression degrees of freedom and the total degrees of freedom of 60.

The model tend to incorporate all delivery methods employed by Thrive as well as the outcomes of the loan as collected from the respondents which are accumulation in household assets, increased income levels, improved housing conditions and affording to buy clothes and food. This shows that there is a positive relationship between the micro-loans and poverty reduction. This is in conformity with Littlefieds et al, (2004) when they stressed on the critical role of microfinance in achieving the Millennium Development Goals and in building global financial systems that meet the needs of the poorest people. In contrast to this, Yuqiug, (2007) conducted a similar study in China and outlined that microfinance institutions are now stressing more on profits hence most of them are ending up exploiting the poor.

However, basing on the research findings, the researchers argues that the is really a positive impact of micro-loans with the exception of some other microfinance institutions who tend to charge usurious rates and practice harsh collection measures.

4.6 Impact to SMEs operated by the respondents (Focus group)

Through extending credit to women entrepreneurs, MFIs aim to improve and nurture these small entities till they reach a point of self-sustenance. This is also derived from lowering the cost of borrowing and other practices which ensures that microfinance institutions exercise care in dealing with the poor. 76% of the respondents alluded that they were satisfied with the amount of loans they obtained. This was also supported by the level of achievements they obtained. However, the remaining 24% were not satisfied with the loan amounts they got. They were arguing that Thrive loan limits tend to hinder developments in the businesses they operate. Hence the researchers tested for correlation between the loan amount and the impact on the businesses they intend to boost.

Table 4.9 Correlation between loan amount and effects on business improvements

Effects of the loan	Range of the current loan amount	Change in cash-flows after the loan	Changes in restocking amount	Improvements in the level of savings	Expansion at the business site
Range of the current loan amount: Pearson correlation	1	0.728	0.531	0.371	0.231

Source: Survey data

Correlation is significant at the 0.05 level (2-tailed)

The values obtained from correlation should lie in the range of -1 to 1 with any values less than 0.5 representing a weak relationship and that with a value greater than 0.5 depicting a stronger relationship.

Table 4.9 shows a correlation of 0.728 between the range of loan amount and the improvement in cash-flows after acquiring the loan. This correlation is significantly stronger which entails that indeed the loan amount matters in improving the cash-flows.

Loan range and the change in the restocking amount also showed a fairly stronger relationship of 0.53. This implies that higher loan amount also leads to a more improvements in restocking amounts. The improvements are noticeable especially with Thrive inside documents which shows the business value before after acquiring the loan. Atieno, (2009) pinpointed that formal microcredit services are important for the expansion of SMEs and their subsequent role in national economy. In uplifting this assertion, Nsanganzelu, (2015) concluded that a unit increase in in per capita number of entrepreneurs decreases poverty hence entrepreneurial support is very crucial.

Hence this study elapsed further to explore the relationship between the loan range and improvements in business levels which resulted in a stronger positive correlation. However, these loan amounts should commensurate with the level of activity of the SME. Thus excessive amounts on a small entity may result in moral hazard which increases the chances of failure to repay.

However, in relation to the loan range, changes in savings level and expansion of business site alluded a weak correlation of 0.371 and 0.231 respectively. Borrowers are taught to save in Thrive training sessions and mandatory savings are required before the loan is advanced to them. They however pointed out that their businesses are still generally small that any leakage such as continuous savings will impact negatively the micro-entity. Thus they regard their businesses too small to save significant amounts of money out of them in the short term horizon.

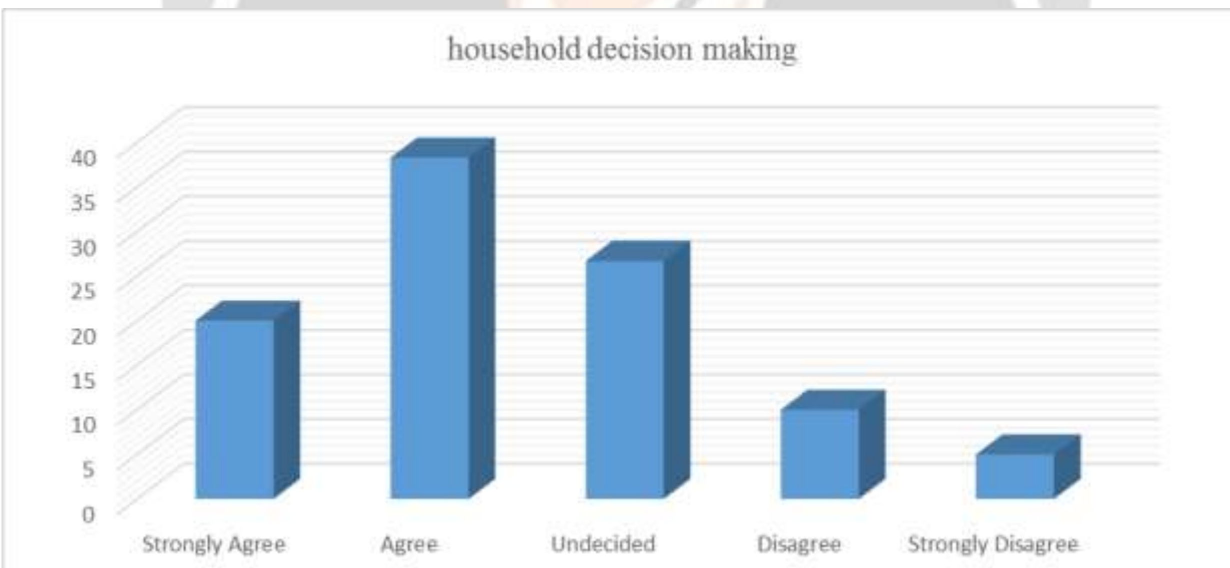
4.7 Empowerment of the respondents

4.7.1 Focus group

Respondent from the focus grouped were asked if their role in decision making had improved due to their role of income contribution to the family. 20% strongly agree and 38% of the borrowers agreed that their role in decision making improved due to the fact that they now contribute income and in some cases have become the bread winner in their family. This tend to perambulate with the conclusion of Nsanganzelu, (2015) that micro-credit facilities has positively contributed to the wellbeing of women which include expanding and developing their income generating activities, enhancing their bargaining power and interests within the household and support payment of household necessities like food, medical care and education.

However, 27% of the borrowers were undecided, 10% disagree and 5% strongly disagree. These respondents included some who are widows and single women who are either divorced or haven't got married as yet. They also indicated that they are the one who made major decisions in the family. Access to the loan did not change their perception toward empowerment. Some are married and they have encountered misunderstandings in their marriages because of the loan. Moreover, the group guarantee methodology implemented by Thrive has resulted in closure of businesses and household loss as members of the group defaults thus erodes the power in decision making as there will be tension in the marriage.

Figure 4.4: Showing the responses given by the respondents in terms of income contribution and their role in household decision making ever since they acquired the loan.



Source: Primary Data

4.7.2 Control Group

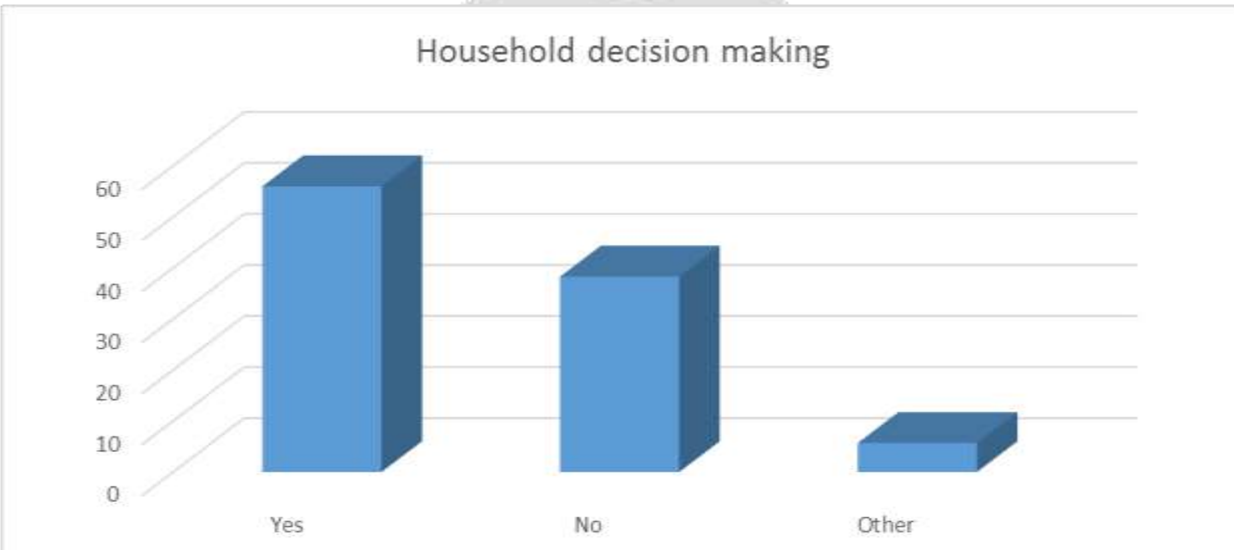
The control group was also asked on their role in decision making and their contribution to the household's income.

In those interviews, 56% of the respondents mentioned that their position in decision making had improved due to their contribution of income from Roscas and income from their businesses. However, 15% of the 56% indicated that they make decisions jointly with their husband.

The other 38.3% of the respondents indicated that their husbands made the major decisions in the family and there was no significant contribution they made in decisions.

The remaining 5.7% of the respondents were not yet married/widowed/single mothers. They indicated that they are the ones who made all the decisions in the family. These are represented by others in the graph

Figure 4.5: The graph shows the responses given by the respondents from the control group in terms of income contribution and their role in decision making ever since they acquired the loan.



Source: Primary Data

4.7.3 Micro loans contributing in fighting gender violation.

The major drawback that microfinance encounter in trying to support women through providing financial services is the lack of autonomy and independence that women tend to have. In most economies, there is presence of gender violation in the women side. Decisions that women follow in most cases are infiltrated seriously by third parties who are mainly the husbands. In trying to explore the relationship of the microfinance in fighting gender and other empowerment factors brought about by accessing financial services the researches uses responses to come up with a regression model.

Defining the hypothesis

H_0: $\beta_1 = \beta_2 = \beta_3 = \beta_4$ .... $\beta_8 = 0$ (all factors have no impact on fighting gender violation)

H_1: $\beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4$ .... $\beta_8 \neq 0$ (all these factors have an impact on fighting gender violation)

Thus the regression model should satisfy this equation where:

$$Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \beta_7X_7 + \beta_8X_8$$

Where: Y- microloans contributing in fighting gender violation

: X_1 -significance in household decision making

: X_2 -there is improved access to health care

: X_3 -l can now take part in paying fees for children

: X_4 -Improved self-confidence and societal recognition

: X_5 -happiness and peace in family

: X_6 -improvement in skills level

: X_7 -my decision making has improved because of the trainings

: X_8 -l am now able to express my opinions freely both in group and in family

Table 4.10 Relationship of women empowerment factors

Model	Unstandardized coefficients		Standardized coefficients	t	Sign
	B	Std Error	Beta		
(Costant)	1.022	0.664		1.538	0.031
Significant in household decision making	0.26	0.166	0.025	0.155	0.038
Improved access to health care	-0.353	0.177	0.34	1.995	0.032
I can now take part in paying fees for children	0.153	0.295	0.082	-0.518	0.061
Improved self-confidence and societal recognition	0.311	0.242	0.209	1.289	0.044
Happiness and peace in family	0.195	0.175	0.197	-1.114	0.021
Improvement in skills level	0.022	0.209	0.014	-0.104	0.069
Improved decision making has improved because of trainings	0.128	0.231	0.84	-0.554	0.02
I am now able to express my opinions freely both in group and in family	0.367	0.175	0.343	2.098	0.042

Source: Primary Data

Dependent Variable: loans are contributing in fighting gender

From the regression table above, we fail to reject H_0 for all the factors that have P values greater than 0.05(testing at 95% significance level) which are β_3 and β_6. Thus we reject H_0 only for the factors that have P values less than 0.05(testing at 95% significance level). Considering the alternative hypothesis, the regression model that can be obtained is:

$$Y=\beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_4X_4 + \beta_5X_5 + \beta_7X_7 + \beta_8X_8$$

This means that gender violation is mainly influenced by factors such as significance in household decision making, improved access to health care, improved self-confidence and societal recognition, happiness and peace in family, decision making has improved because of the trainings able to express my opinions freely both in group and in family. Thus, all these factors which tend to be perpetrated by microfinance have a positive implication in compacting gender violation. The researcher shared the same view with Moyoux and Hurt, (2009) in relation to the contribution of microfinance not only in poverty reduction and financial stability but also addressing gender and equality.

However, microfinance is lacking support in terms of improving entrepreneurial skills level especially in Zimbabwe as most of them just lend money without offering any technical support. Few of them that offer trainings, just stress their guidance on the loan utilization and tend to lack support in developing some skills level in various avenues of small entities.

5.0 CONCLUSIONS AND RECOMMENDATIONS.

5.1 Conclusions

From the study and research, we come to the conclusions that there is a noticeable and positive impact of microfinance activities on the living standards, empowerment and supporting SMEs among the poor people in the society.

5.1.1 Microfinance and women empowerment

To sum up, it can be noticed from the overall analysis that there is significant impact of microfinance activities on improvement of the living standard of the family not only in economic term but also in social term which constitutes happiness and peace in family. From the study outcomes, access to these small loans has a profound effect on significance in household decision making, improved self-confidence and societal recognition improved access to health facilities as some organizations like Thrive arrange seminars for the women with various health organization to be educated on diseases such as breast cancer.

5.1.2 Support of Microfinance to SMEs operated by women

Research findings postulated a positive correlation between the micro-loans and improvements in the small businesses operated by women. However, the findings show that the magnitude of the impact on the business is influenced by the loan amount. Thus, higher loan amounts can brought meaningful improvements compered to lower amounts. But however, care should be practiced in assessing the right amount to lend considering the kind of trade so as to avoid overburdening the borrower.

5.1.3 Contribution of MFI to poverty alleviation

In regards to the study, delivery methods used by microfinance are crucial in reaching out the poor and changing their life through entrepreneurial support. Thus, by charging lower interest rates and making flexible loan process and repayment terms, it gives an allowance for the borrower to yield significant profits. The simple vision of one man, Muhammad Yunus has taken the shape of the revolution and has shown the ray of hope in the path of life to every human, irrespective of his background or status or gender. Developmental microfinance institutions like Thrive tend to use group guarantee as collateral in substitute of property hence succeeding supporting the poor as well as encouraging peer pressure and peer monitoring which in most cases leads to effective utilization.

5.2 Recommendations

Basing on the results from the study, there are recommendations that can be made to various stakeholders.

i. In most cases, the respondents indicated that they used the loan for the intended purpose, however the state of their businesses did not indicate that they used the loan in boosting their working capital. MFIs should monitor their borrowers especially after loan disbarments and during the term of the loan. This will help to ensure that the loan is used in the business. It might not be 100% dedicated to the business but at least the major portion of the loan must be used to generate income that will benefit the household.

ii. Group guarantee has been a substitute for physical collateral, it does help women to obtain loans from MFIs. However, MFIs should be careful in effective management of group dynamics. In some cases, were one member of the group has failed to pay, there have been use of force and violence by group members in trying to obtain payment back. This has had a negative impact on the relations of the borrowers within the community.

iii. During the study, some women indicated that the trainings they received at Thrive were quite helpful in terms of financial literacy and business management, but lacked knowledge on how to deal with domestic issues. They indicated that they needed further non-financial training on how to deal with domestic violence and abuse in the community, property ownership and rights and training on HIV/AIDS and cancer. These are part of the real problems that affect the poor, especially women. MFIs that target the poor help financially, could work together with NGOs to fight against poverty.

iv. In reaching the poor, there are high costs involved and MFIs tend to pass down these costs to the borrowers through high interest rates. The regulatory authorities like ZAMFI should intensively manage the microfinance so that they get rid of those loan sharks who tend to charge usurious interest rates and unethical collection practices. Thus in-order to reduce poverty in the community, regulators must ensure that MFIs operate efficiently to keep their costs as low as possible so that they can charge lower rates that will ease the burden of payment for the borrowers.

v. Invest in the development capacity of the credit bureaus to service the lower income market including necessary legislation and regulation. Although it is not yet very urgent but in the long run microfinance service providers are able to participate for its lower sector customers.

vi. Technology is now playing a key role in the financial service delivery in terms of costs and time efficiency. Payment infrastructure needs to be developed hence there is a need for financial service providers to partner with mobile service providers for improved payment infrastructure. Moreover outreach population and credit delivery can be addressed easily through technology. The issue of technological innovation and its infrastructural development needs to be a priority for the organizations aiming to reach the un-bankable sector.

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