Full Length Research Paper

Women’s access to microfinance and poverty alleviation in Zimbabwe: Case study of Chinhoyi town

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The study assessed impact of women’s access to finance on poverty alleviation in Chinhoyi, the capital city of Mashonaland West under an impact assessment model categorised in three broad parameters. The paper documented the current liquidity crisis within the Zimbabwean economy due to the multiple-currency regime in place and the extent to which microfinance institutions can provide relief to women engaged in small and medium enterprises so as to improve on their livelihoods and the communities at large. Microfinance became so crucial in funding social entrepreneurship initiatives in the face of dwindling social value addition by government and the private sector. The study recognised that a number of women were benefiting from their small businesses; however they were struggling with finance to fund their businesses due to lack of collateral security, and other unofficial screening criterion. The paper noted that the available microfinance institutions were lending for consumption purposes and charges exorbitant interest rates which make it difficult for the women in business to borrow. We recommended that: (i) NGO or government backed microfinance institutions can provide better services at reasonable rates than the current institutions in place, empowering women and improving the standard of living of the Zimbabwean people; (ii) close monitoring is needed on the funding practices by microfinance institute (MFI) to avoid bias towards consumption funding

Key words: Microfinance, poverty alleviation, women empowerment, social entrepreneurship, liquidity.

INTRODUCTION

Women have a central role in family upbringing and upkeep in our African community setups. In the African perspective, Xhosas say “wathint'abafazi wathint'imbogodo...” literary translating to “mistreat women, and you will have no food in the house”. This shows how, in African culture, women are regarded as pivotal in sustaining family livelihood. In the same context, supporting women in business will mean giving a livelihood to the families; but women have been disadvantaged (mistreated) in terms of access to credit and other financial services. Zimbabwean women are no exception and more so, their situation have been exacerbated by the economic challenges bedevilling the once bread basket of Southern Africa. The challenges have tantrums across all sectors, with the financial sector receiving its own fair share.

Commercial banks and other formalised forms of finance require documentation which most of the times excludes women. Ironically, established companies are even struggling to borrow from banks, given the current illiquidity within the Zimbabwean financial system. The lacklustre economic conditions had seen private sector funding of community projects dwindling (as they focus on their survival) and the government and Non Governmental Organisations’ (NGOs) support narrowed as their budgets became skimpy. The real value creation in such instance is in jeopardy. The situation calls for social entrepreneurs whom, it can be argued, address social needs economically. The challenge is that the

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social enterprises more often lack adequate capital and have limited access to conventional funding schemes (Zimbabwean situation is even worsened by liquidity crisis), lack collateral security among many other woes. Micro financing institutions can draw funding from government, private sector, and/or members, and channel these to low income borrowers (mostly women) who often does not qualify for conventional funding. Women are actively involved in the formation of social enterprises with their only hope of source of finance for business being microfinance.

It can be argued that microfinance helps empower women from poor households to make a significant contribution towards their households and economy at large. Microfinance services are considered a key development tool, particularly for women who are the target of most microfinance programs (Guérin, 2006). Of interest, Pitt and Khandker (1998) noted that, the return to investments from finance awarded to women seems to better reach all household members, especially improving children health and schooling. On another note, International Labour Organisation (ILO, 2007) showed that positive environmental impact is also achievable as microfinance programmes support green jobs and renewable energy systems. This indicates that microfinance credit has a potential to help in the sustainable development of the Zimbabwean economy. However, microfinance is not easily accessed by women (social) entrepreneurs. This negatively impacts their output and thus reduces their contribution to economic growth, furthermore derailing economic emancipation; regardless of their unwavering efforts to obtain funding. According to Nicholls (2006), social entrepreneurship is any venture that creates social value as its prime strategic objective and which addresses this mission in a creative and innovative fashion. There is great reason to hypothesise economic contribution of such activities and therefore their role in poverty alleviation, fostering sustainable livelihoods and ensuring economic empowerment, especially in developing economies. There is a need to closely analyse the impact of limited access to microfinance by women on their entrepreneurial activities. This translate to also assessing the impact micro financing structures have in addressing such gap left out by conventional financing institutions.

The primary purpose of this study is to determine how challenging women entrepreneurs’ access to microcredit is, so that viable programming to enhance or encourage women access to finance can be best constructed. The study seeks to firstly carry out desk review of literature, as well as original field research (in Chinhoyi town) on both the supply and demand by women for microfinance, secondly identify factors inhibiting access to finance by women, and thirdly outline strategies implemented by women to circumvent the limited access to finance. Finally, based on the findings, provide strategic recommendations regarding future support to microfinance institutions/structures reaching this group, which can result in significant and sustainable women access to financial services, thereby leading to poverty alleviation, fostering sustainable livelihoods and ensuring economic empowerment. The paper is organised as follows: Following this section I of introduction is section II looking at the overview of microfinance activities in Zimbabwe and review of relevant literature, section III looks at the theoretical framework and methodology, section IV focuses on discussing research findings and section V conclusions and recommendations.

OVERVIEW OF MICROFINANCE ACTIVITES IN ZIMBABWE AND REVIEW OF RELEVANT LITERATURE

There are a number of studies which have been carried out to establish the extent to which access to microfinance by women can help in poverty alleviation, women’s empowerment and sustainable development of the society and the country’s economy at large. Amongst the available studies there is Ebdon (1995), Goetz and Gupta (1996), Rogaly (1996), Buckley (1996), DFID (1998), Rosenberg (1998), Rahman (1999) and Mayoux (1999, 2000), to just name a few.

Leach and Sitaram (2002) suggested points supporting why women should be provided with loans to fund their businesses. Among others, firstly, it is argued that women are disproportionately represented amongst the poorest in society and are in need of help as compared to man, as far as securing sustainable livelihoods is concerned. Secondly, women are discriminated against in the formal labour market, so end up looking for other sources of income within the informal sector. However, with the move towards gender equality world over, this seems not to be a serious issue. Thirdly, it is also argued that women-headed households are on the increase as a result of economic recession, changing labour needs, increasing urbanisation, and the break-up of extended family structures. Women have therefore become the breadwinners in some families. Women-headed households being more vulnerable than male headed ones is advanced as the fourth reason. It is argued that such households are more vulnerable in times of crisis, as they have fewer resources to draw from. Lastly, Mayoux (1999) suggest that repayment rates on loans and contributions to family well-being are often higher among women than among men. Thus, implying there would be no basis to screen women borrows along the lines of risk of repayment.

A study by Mayoux (2001) indicates some basic views on the link between microfinance and women’s empowerment. The view that stresses the positive relationship between microfinance credit and women’s empowerment is central to this study due to the vast empirical evidence available, thus the ensuing discussion.
shall concentrate much on this. Advocates of the positive link between microfinance credit and women's empowerment suggest that there are three paradigms underlying this view. These include the financial self-sustainability paradigm, the poverty alleviation paradigm and the feminist empowerment paradigm. Under the financial self-sustainability paradigm, dominant with most donor agencies and models of micro-finance promoted in publications by USAID, World Bank, UNDP, CGAP and the Micro-credit Summit Campaign, the programme design focuses on the provision of financially self-sustainable services to large numbers of poor people and small entrepreneurs. The concept also focuses on setting the right interest rate to cover costs, separating microfinance programmes from other interventions to enable separate accounting, expand the programme so as to capture economies of scale. In short, this paradigm asserts that increasing women's access to microfinance services will empower individuals as well as their well-being through social and political empowerment.

The poverty alleviation paradigm aims at poverty alleviation amongst the poorest, increasing well-being and community development. Under this notion, poverty alleviation and women's empowerment are seen as synonymous. It is argued that increasing women's access to micro-finance will advance women in addressing gender inequalities. The feminist empowerment programme paradigm is believed to underlie most gender policies of many NGOs as well as many consultative programmes (Johnson, 1997). The principle underlying this paradigm is gender equality and women's human rights. It is argued that micro-finance is promoted as an entry point in the context of a wider strategy for women's economic and socio-political empowerment. Lewis (2004) presented an account of the impact of microcredit on poverty and empowerment, asserting that businesswomen borrowers are using income from their businesses to improve their own living conditions and those of their families. Profits are spent on food and clothes for children, housing, or school fees for children. For women, the impact of being able to support their families and to contribute to the economic development of the community is often particularly powerful in terms of increased respect and status. In that study, women borrowers were quoted saying, "... For the first time, I am able to buy my daughter whatever she needs"; 'you see, before I took the loan I stayed on the road begging. But now I am independent and I'm running my own life'; 'I used to be nobody, but now, when a decision is being made in the family, they say, "Go call Mary! We cannot decide without her!" Now they respect me'. These are testimonies on the positive effect to women empowerment microfinance can present.

In Zimbabwe, it is argued that microfinance has the noble objectives of financial and social inclusion of the disadvantaged segments of our society and attendant poverty alleviation, (RBZ, 2011). However, regarding the microfinance sector, the Zimbabwe monetary authority noted with concern, continued reports of ruthless lending activities and abusive collection practices by some microfinance providers. These practices further exclude the "poor", albeit supposedly their target group. According to The Southern Africa Microfinance and Enterprise Capacity Enhancement Facility (SAMCAF, 2011), microfinance has emerged as a response to the failure of the formal sector to meet the needs of the SMEs and the 'informal' sector. Unfortunately, until very recently, the support to the microfinance sector has been minimal and this has therefore compounded the problem of lack of access to credit and other financial services. It is imperative to note, at this point, that the Zimbabwe National Microfinance Policy stipulates (among other roles of microfinance) that:

"by plugging the gap left by the mainstream financial institutions, microfinance providers improved the standards of living of the poor but economically active, as well as strengthen their social and human capital."

Considering that about seventy percent of the world's poor are women, access to microfinance by women becomes vital. There is need to highlight the dynamics within the sector in order to understand how and why women borrowers are excluded, and ultimately in sections that follow how they can be included.

Liquidity in the Zimbabwe financial sector

Access to finance is undoubtedly a nightmare in an illiquid financial environment. Zimbabwe banking sector liquidity remains a challenge due to the short-term nature of deposits, the absence of an active inter-bank market and lender of last resort facility at the Reserve Bank (RBZ, 2011). This result in exclusion of the poor individuals and entrepreneurs as limited financial resources will be channeled optimistically to "low risk" borrowers-like established businesses. There is no doubt women will be excluded, together with their small enterprises. Microfinance can help in the inclusion of such class of borrowers and bring their activities to the core of economic development. Microfinance tends to thrive in developing countries where there is an increase in poverty and a widening gap between the affluent and the poor (Klinkhamer, 2009). Consistently, in Zimbabwe, microfinance initially increased as a reaction to a steady decline in the economic fortunes since 1997, as RBZ (2009) recognised the usually unfortunate exclusion of vulnerable members of the community during economic tides. In order to ensure that they are able to sustain themselves in the multicurrency environment, the Reserve Bank reported that it has deepened its Rural banking initiative. This was complemented through an integrated Micro Finance Development framework under which SMEs and other self-help groups will be able to access foreign exchange loans. The question still arises:
Table 1. Type of financial intermediaries operating in Zimbabwean financial markets.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
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<tbody>
<tr>
<td>Central Bank</td>
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<td>Discount houses</td>
<td>6</td>
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<tr>
<td>Commercial banks</td>
<td>12*</td>
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<td>Merchant banks</td>
<td>5</td>
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<td>Finance houses</td>
<td>3</td>
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<td>Building societies</td>
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<tr>
<td>Post office savings bank</td>
<td>1</td>
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<tr>
<td>Asset management companies</td>
<td>17</td>
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<tr>
<td>Micro-finance institutions and moneylenders</td>
<td>213</td>
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*This excludes 5 other banks under curatorship. **Excludes Barbican Bank which was relicensed but is not yet operational and includes Interfin Bank Limited formerly a merchant bank. Source: SARB Monetary policy statements (various issues).

Micro financing market microstructure

The market structure in microfinance varies significantly across countries, depending on their stage of financial development, level of economic development, policy environment, and other factors (ADB, 2000). According to RBZ, microfinance institutions (money lenders), form part of the financial market as non-bank financial institutions along with asset management companies, insurance companies, pension funds, provident funds, corporate bodies, the Zimbabwe Stock Exchange (ZSE) and the general public. It is also stated that some microfinance institutions and money lenders, among many others, which were operating under the Collective Investments Scheme Act, are now registered (annually) and supervised by the Central Bank. Thus, the RBZ is responsible for the supervision of microfinance and money lending institutions, acknowledging the relevance of these and recognizing the need for sanity in this sector. Table 1 lists the types and number of financial intermediaries in the financial sector of Zimbabwe.

As at 30 July 2011, the country’s banking sector remained diversified albeit a sharp swinging in the number of Micro-finance institutions and money lenders. This may have been necessitated by growing illiquidity, dreary economic environment in the past years, due to a number of factors. The financial sector has suffered in recent years from the shortage of foreign currency and the lack of viability for loans and advances in a hyperinflationary environment. These challenges culminated in change of operational design and approach by most MFIs. Ghalib (2007) argued that, regardless of their scale, outreach, location and the type of clients, all Microfinance program interventions target one thing in common: human development that is geared towards both the economic and social uplift of the people that they cater for. However, on their part, most microfinance providers in Zimbabwe design their loan products in a way that excludes the poor and those who might otherwise require microloans for entrepreneurial purposes. This explains why most of these institutions are targeting salaried individuals, mainly civil servants, that is, consumption credit is preferred. Microcredit schemes, registered and unregistered, are cashing in on people’s need, especially on civil servants, at interest rates that can only create an unending vicious debt cycle, (Banda, 2011). The design of higher interest rate with a lock-in effect and consumption credit bias further weaken the chances of women in small enterprises to access microcredit.

In Zimbabwe, Zambuko is one of the long existing MFI. According to the United Nations Development Programme (UNDP) assessment report, the areas that were not well serviced lie in Mashonaland West and Matabeleland North provinces which encompass Karoi, Chinhoyi (our area of study), Nkayi, and Binga, respectively. UNDP (1997), reports that, Zambuko Trust has been leading and coordinating formation, meetings and drafting of constitution and legal structure for the Zimbabwe Association of Micro Financing Institutions (ZAMFI). ZAMFI is a representative body for the microfinance institutions in Zimbabwe. The drive for the initiative was bi-dimensional. On one hand, Government of Zimbabwe has requested that the microfinance industry organize itself, so that government can more efficiently establish communication and liaison with the industry for policy and other industry issues. On the other hand, microfinance institutions, particularly locally based ones, feel they need to bolster their voice and work together, to support each other and promote a more conducive environment for microfinance. Microfinance institutions play a fundamental role in funding social
A model of the impact chain that the study is to examine

This involves assessing the difference in the values of key variables between the outcomes on “agents” (individuals, enterprises, households, populations, policymakers) which have experienced an intervention against the values of those variables that would have occurred had there been no intervention. This takes the dimension of a control group and the experiment group; despite being so informative this, study only considered one group (the experiment group). The analysis will also be as much informative if instruments are well designed.

The specification of the unit(s), or levels, at which impacts are assessed

Common units of assessment are the household, the enterprise or the institutional environment within which agents operate, thus producing a fuller picture of overall impacts. There are advantages and disadvantages to each unit of assessment used, however combining individual, household, enterprise and community units (Household Economic Portfolio - HEP) will present a comprehensive coverage of impacts and has an appreciation of linkages between units. Our study considers the HEP composed of individuals (the women), their households, enterprise (their small businesses) and community (in terms of jobs created by each enterprise).

The specification of the types of impact that are to be assessed

Microfinance impact assessment can be directed to measure changes in income, with other popular variables being levels and patterns of expenditure, consumption and assets. The study focused on assessing the access to finance by women, in particular if microfinance is coming to the aid of these financially excluded family livelihood ‘guarantors’. Secondly, the study also looked at the contribution of women led SMEs to meeting basic family needs like education, and how many jobs are created for the local community. From this conceptual framework, it follows that, parameters for analysis need to be clearly outlined. There are a large number of parameters and variables that can be taken into account when considering the potential impacts of microfinance on women and women entrepreneurship. Our parameters for analysis will be influenced by the objectives of the study as in Estapé-Dubreuil and Torreguitart-Mirada (2010), considering that women are actors too in an effort to access finance, despite the challenges they face. The different categories of our analytical framework are as follows:

(1) Parameters linked to the Microfinance Institutions in which credit was (can be) obtained and women entrepreneurs perception on their limited access to finance;
(2) Parameters related to efforts by women to get funding for their entrepreneurial ventures;
(3) Indicators of the social and economic impact of the women enterprises as well as personal context particulars.

We modified the Estapé-Dubreuil and Torreguitart-Mirada framework, recognising the different set of parameters in our analysis which include: the supply side (market microstructure); the perceptions by women (what do they perceive as the hindrances towards their access to finance); personal attributes (their educational qualifications and wealth ownership status) and as mitigating efforts, the women’s efforts in bridging the gaps. The last set of parameters helped the study forward the hypothesis that women are actors too. These set of parameters work in unison to contribute to the central goal of enabling women to access finance. This is illustrated in Figure 1. The four parameters lying on the outer ring have been identified as crucial factors in accessing finance by women borrowers. It is not about bemoaning the limited access to finance by women “but women are actors too...”, their perceptions, their efforts to find alternative sources all contribute to mitigating the challenges at hand. Furthermore, supply side factors are beyond the women’s control, and they are highly significant in determining the access of credit by this group. In section II, we have noticed how the microfinance operators are redesigning their loan products at the expense of women (majority of the poor and marginalised).

THEORETICAL FRAMEWORK AND METHODOLOGY

Our study benefit from the framework developed by Hulme (2000) and Estapé-Dubreuil and Torreguitart-Mirada (2010). The first section will discuss the main elements to a conceptual framework put forward by Hulme (2000) while the second section will clarify the approach we used as guided by the work of Estapé-Dubreuil and Torreguitart-Mirada (2010). All impact assessment exercises have a conceptual framework at their heart, and in many smaller scale exercises the framework is implicit and may be seen as “common sense” (Hulme, 2000). Our scale of analysis is zeroed to one town of Chinhoyi, which in this context will be considered a small scale "sense" (Hulme, 2000). Our scale of analysis is zeroed to one town of Chinhoyi, which in this context will be considered a small scale "sense" (Hulme, 2000). All impact assessment exercises have a conceptual framework at their heart, and in many smaller scale exercises the framework is implicit and may be seen as “common sense” (Hulme, 2000). Our scale of analysis is zeroed to one town of Chinhoyi, which in this context will be considered a small scale "sense" (Hulme, 2000). All impact assessment exercises have a conceptual framework at their heart, and in many smaller scale exercises the framework is implicit and may be seen as “common sense” (Hulme, 2000).

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Figure 1. Conceptual Framework. Source: authors own sketch.
Scope of the study

The study focused on a fairly small sample size to necessitate meaningful in-depth analysis in light of time and resources constrains. The sample size of 60 respondents enabled the researchers to merge theory and reality, choosing the provincial capital of Mashonaland West province, Chinhoyi town. This area represents one of the areas under served, with regard to microfinance (UNDP). To select respondents from the population which has pockets of significant differences, firstly, simple random sampling method was used. This sampling technique was further augmented by convenient sampling as a result of the limited up to date small enterprises database. Convenient sampling allows expedient way of identifying respondents when they are scattered, and there is no prior proper knowledge of where they can be found.

Data collection

Secondary and primary data was used in order to meet the objectives of the study. Secondary data was obtained from RBZ reports and bulletins, internet and past researches. Secondary data was used because of its availability in a synthesized and processed form. The data was used mainly to give an insight of the supply side of microfinance. Data was in some instances over simplified, biased and/or lacking necessary relevance with respect to timing and distribution of the target group. Various sources of data and/or information were used to verify the data. Primary data was collected making use of questionnaires distributed by trained personnel to the target respondents. Other primary data collection instruments like discussions, thinking, reflection and observations were put into use to augment the conventional tool (questionnaire). The literacy level of Zimbabwe population is admirable, with 96% of the adult population at least have reached Ordinary level (13 years of schooling), and therefore allowed us to use English as a mode of communication in the surveys. However, discussions which augmented the questionnaires allowed the use of Shona and they were guided by the response on the questionnaires for the purpose of clarifying some information obtained for the study. The purpose for using such information from follow up discussions is to augment and fill in gaps in questions. For future study, it is encouraged to interview the entrepreneurs and also the suppliers of credit, the MFI and relate the responses in order to understand both sides. The literature reviewed provided the basis for the hypotheses and the conceptual framework to analyze the situation on the ground.

Data analysis

The data collected was first sorted out for meaningful analysis to take place. Data was checked for completeness as well as internal consistency, while the responses were checked for relevancy and flow of logic. Women’s access to finance was measured in terms of loans obtained, the process of obtaining it (the screening measures) and knowledge about MFIs availability. Impact of microfinance on livelihood and its sustainability was measured by the distribution of profits and number of individuals relying on a living on profits from the enterprises. The assertion that beneficiaries are actors too was measured from the success of the efforts by women to obtain other funding in the face of being screened out.

RESEARCH FINDINGS

This section presents the research findings from the instruments used. It is organized into three sections. The first section looks at parameters linked to microfinance, section two looks at efforts being made by women to mitigate the liquidity crisis and the last section looks at the social and economic impact of women’s enterprises.

Parameters linked to the microfinance institutions in which credit was (can be) obtained and women entrepreneurs perception on their limited access to finance.

From our survey, 77.8% of the women never used microfinance credit to fund their business initiatives. This maybe as a result of varied reasons, from lack of knowledge of the existence of microfinance to mere unwillingness due to negative perception or bad experience by friends or relatives. From a list of major MFIs in Zimbabwe, 62.5% of the respondents do not know or have never approached any one. From those who know/have approached one of the major MFIs, 25% know of others and they have obtained loans and 12.5% know of/approached Zambuko Trust, unfortunately all failing to access credit. From the 62.5% who do not know/have not approached any of the major MFI in Zimbabwe, 75% would consider approaching the institutions for funding. This indicates the willingness among women entrepreneurs in accessing funding through these institutions. The major reasons cited for the unwillingness to approach the MFIs is that it will assist in quickly expanding the business, and there are no other alternatives which are available to fund small businesses.

Microfinance clients are either very small businesses or poor individuals who usually have few assets, non-existent credit histories, and low income levels. This is typical of many of women entrepreneurs in Zimbabwe. Unfortunately, some of the MFI in Zimbabwe have begun to request collateral for loans albeit the main objective of MFI is to cater for those borrowers who cannot be able to meet the stringent requirement by banks; of which the most notable requirement is collateral. This is a problem because it means these clients cannot offer any collateral to microfinance providers against loans. As a result, microfinance institutes (MFIs) may either raise their interest rates (which are already high for small loan transactions) or turn down hundreds of applications. This therefore calls for government intervention in regulating the operation of MFI in Zimbabwe or the MFI mother body (ZAMFI) to assist the regulator RBZ in monitoring the business of such institutions.

Women entrepreneurs’ perceptions on challenges to accessing finance

Perceptions shape our actions to some extent. Half of the survey group perceive that women generally face challenges in accessing business finance, while 12.5% disagree to that and 37.5% hold a neutral perception. Negative perception demoralises, so if one in every two women perceives to meet hurdles in getting finance, chances are that they will never attempt it; time is
valuable so they will consider not wasting it. Such perceptions further marginalise the women entrepreneurs and worsen their burden on sustaining family livelihoods. Perceptions can be changed, it is unfortunate that in this case, the perceptions are based on experiences and observed encounters of fellow women with MFIs. Change therefore needs to start on the supply of loans. Women put the blame squarely on the MFIs as 57.4% do not view failure to provide necessary information as a limiting factor to access to finance by women with the remaining neutral on this factor. This implies that, the women in small business are confident that they have all the required information and are ready to provide. This analysis may indicate to implicit screening factors the MFIs may be using. Such screening factors may be sustained by mere stereotyping (selecting out women), need for higher returns (lending to salaried workers at higher rates), reducing risk exposure (salaried workers especially civil servants have guaranteed paycheque), desire to lock-in clients (borrowing for business purposes has the potential to payback early compared to borrowing consumption).

On the issue of collateral, the respondents are divide, 37.5% do not perceive the collateral to be the limiting factor, while an equal percentage do perceive and the remaining 25% are neutral. Almost the same distribution of respondents goes for the view on the understanding of financing needs by institutions across gender. There is therefore a mixed feeling on whether the financial institutions really understand the needs of female entrepreneurs and the role they play in an economy. This view is exacerbated by lack of matching products within the Zimbabwe financial sector, as there is no unique product that addresses the desire of this type of borrowers. The liquidity crisis may be playing a significant role in this regard. In addition, few financial institutions have the technical expertise to familiarise themselves with the obstacles facing women-owned businesses and how to address their unique needs. Legal restrictions are perceived by 50% of the respondents as a hindrance to their access to microfinance. The legal restriction may involve the nature of marriage, where consent from husband may be required or the requirement for surety. Women are underrepresented in the formal sector due to these legal, regulatory and socio-cultural barriers. MFI has the potential to help women break these barriers. Educational background is perceived by three quarters of the respondents as a limiting factor. From our own analysis, education may be an implicit screening factor by MFIs, considering how the women are ready to provide all necessary information like business plan, company registration certificates among others, and yet they fail to get the finance.

The respondents also consider the size and nature of the business; nepotism low coverage by MFI (concentration in bigger cities and in deep rural leaving out smaller towns) as another screening factor by MFIs. New businesses are usually small and they need start-up capital, if the MFI use size as a screening factor then there is greater probability of denying most women access to finance. When a business grows, it has the ability of using retained earnings to grow the business further or diversify and therefore less reliant on micro loans. This is a two sided issue; MFI will realise a dwindling demand from large businesses that they would want to focus one and therefore loose out business, if not considering the new small customers. Many micro entrepreneurs are those who did not proceed highly with academic and have little formal education which leads to two issues: a lack of knowledge about the existence of financial services for the poor, (solution may be financial literacy campaigns) and little access to microfinance services offered by MFIs. However, the education level in Zimbabwe is relatively better in comparison to many developing nations. Lack of knowledge about pro-poor financial services will therefore be attributed to lack of marketing skills and proper consumer education on the part of financial institutions. The majority of business owners (87%) in this study have either an Advanced level or a certificate from the college or less qualification, with about 13% having degrees. The level of education can therefore not be one of the reasons why access to finance is a problem for most women in Zimbabwe.

Parameters related to efforts by women to get funding for their entrepreneurial ventures

Regarding efforts which are being made by women to raise finance for their businesses in Chinhoyi, almost 63% of the respondents agreed that they have made use of stokvels (known as ‘rounds’ in Zimbabwe due to the payout structure which is rotational) in which they contribute a certain fixed agreed amount of money to a central pool, and the payout is amongst the members until everyone in the group has received his/her portion and the process repeats again. Though very helpful and a very cheap form of accumulating start-up capital (just like crowd funding), 25% of the respondents did not agree with the idea and 12.5% were neutral. If the stokvel concept is well managed (to the extent of having a constitution), being legalised within the financial legal framework (as is the case in South Africa) and adopting it and making it fitting within the financial sector (having related bank accounts like the Stokvel bank accounts with South Africa Banks), women can be able to access some form of cheap and easy finance for their enterprises. The presence of subsidiary banks of South African origin can help speed up this adoption; however there is need for the legalisation of the concept first.

All of the respondents indicated that the current businesses which they were running were financed by savings from the previous business. This indicates that women in business in Chinhoyi are aiming higher and
have the saving mentality which is crucial in a society, as it makes us to think of the future rather than consuming all that could have gathered today. Forming springboard companies that will help float the actual enterprise is a strategy move that takes patience and courage. The presence of such caliber of women entrepreneurs is something the Zimbabwean economy can boast of. The women are prepared to work their way to glory, not looking for subsidy or preferential treatment; they are prepared to face their male counterparts and have shown it. If they are not excluded, surely they can do more and their families, community and the country would benefit more. Zimbabwean sector has to leverage on the entrepreneurial trait dividend that prevails in her populace. Three quarters of the respondents indicated that they have received funds from family members in the populace. This is typical of the current situation in Zimbabwe in general, due to the harsh economic conditions which prevailed in the past years. Remittances have helped sustain family livelihoods in Zimbabwe, especially post 1997. Remittances diverted to grow domestic enterprises have the potential to yield even higher rewards. However, 12.5% of the respondents indicated that they have not used or received start-up capital from relatives outside the country whilst the other 12.5% were neutral. The analysis above shows that women in Chinhoyi are not “crying babies” when it comes to the issues of securing finance to start and expand their businesses but they are doing a lot as to mitigate the lack of finance. With the stokvels initiative, this allows them to buy more than what one can with her own money, increasing the chances of making profits.

**Indicators of the social and economic impact of the women enterprises as well as personal context particulars**

About 50% of the respondents indicated that their businesses have been in existence for 12 to 24 months, whilst 25% indicated that their businesses have been in existence for almost a year and the other 25% had their businesses in existence for 25 to 36 months. Survival of the enterprises is a great indicator of sustainability of the business ideas and is a good measure to encourage financing the businesses. However, this has not been the case as discussed in earlier paragraphs. Failure or lack of growth in these enterprises can then be attributed to lack of sustainable financing structures within the economy, despite the owners’ unwavering efforts to keep the ventures afloat on their own means. Policy makers, captains of the industry and financial sector regulators have to consider such attributes in these women entrepreneurs in order to find lasting solution to their financial woes. The government has indicated its commitment to small enterprises development by setting a separate ministry (small to medium enterprises) to specifically address the needs of the marginalised populace (Ministry of Youth, Gender, Empowerment and Employment), however with the current financial crisis facing the Government, less has been done.

All respondents indicated that employees working for their business range from 1 to less than 50. This is an indication that these are small to medium scale enterprises as per the definition by Ministry of Small to Medium Enterprises. The majority have employees more than 20, indicating the potential of SMEs in creating jobs and contributing to family livelihoods from a broader perspective.

About 75% of the respondents indicated that about six to ten family members rely on the profits from the business whilst 25% indicated about one to five people dependents. This emphasizes the importance of women businesses, considering the family set-ups in which women have become breadwinners in some families as discussed in the literature review. In addition, 37 and 62.5% indicated 20 to 50%, and 50% and above, respectively of the profits from the businesses are allocated to family upkeep, an indication that these small businesses are going a long-way in alleviating poverty in our communities. 25% of the respondents indicated that 10 to 20% of the profits are channeled to education/fees whilst 75% goes towards expansion of the business. Combing this contribution and that made by the salaries and wages of the employees, the contribution to the economy and sustainable livelihood agenda is quiet impressive. This is a great justification to call pool effort in assisting women entrepreneurs access funding.

Majority (88%) of the respondents double as both manager and owner. The owners are giving special attention to the business, taking it as their career rather than a hobby. The success stories of these enterprises can be attributed to the women themselves, through their management skills, determination and resilience. About 75% of the respondents showed that they do not own properties which can be used as collateral security, an indication that access to finance from the banking sector is not an easy task, as collateral is a major requirement. Microfinance credit is therefore one of the major financial mechanisms which can be used to access finance, as it does not require all the paper works in the conventional banking system. However, from the ensuing discussion, MFI have not been on the side of women entrepreneurs, thereby further alienating them form the mainstream economy and holding back their emancipation through total empowerment. Such actions counter a conducive environment the government would be creating through the various ministries. Unless the private sector and public sector work together, the journey of women emancipation remains a toll order.

**Conclusions**

The study looked at access to microfinance and poverty alleviation in Zimbabwe, focusing on Mashonaland West
provincial capital of Chinhoyi. We reviewed many qualitative and quantitative studies which revealed that access to financial services has improved the status of women within the family and the community. Women accessing finance become more assertive, confident, and more visible and are better able to negotiate the public sphere. Based on the literature review, we adopted a model of study, and using questionnaires and brief interviews we collected data on women’s business activities and access to microfinance in Chinhoyi. The women reached were particularly proud of their financial contribution to their family livelihood especially through children’s education, health care and food supplies, not only because it helped them earn the respect of their husbands but also because it gave them the opportunity to ensure the best possible education and health for both their daughters and their sons. Enabling women to access finance for their enterprises will help in empowering them, giving them a say. These results are in consonance with Cheston and Kuhn (2002) who argued that, because women are traditionally responsible for providing food, clothing, children’s allowances (pocket money), and cooking and cleaning supplies, a woman’s earning a little money to cover household expenses will not necessarily earn her more respect in the eyes of her husband. If, however, she earns enough to help cover typically male expenditures like school fees, rent, furniture, and transport, her decision-making power often increases greatly. In our survey, sizable amounts of profits from the women owned and ran enterprises are going towards education and health of the family.

Although leadership skills, self-confidence, and solidarity play an important role in changing women’s role and status in the community, women’s economic success plays a role in shaping the community’s perception of them as well. On the other hand, it also helps them take positive perceptions about their abilities and role in the society. We noted that extending finance to women will go a long way in solidifying their social status and hence creating a platform for empowering them. However, women’s general education and literacy levels play significant role in accessing micro finance in Zimbabwe, given that majority are adequately educated. Illiteracy creates a situation of dependency on others that can limit an individual’s prospects for empowerment. Due to high literacy levels, thanks to the strong education system, women entrepreneurs have managed to circumvent the barriers to access to finance by coming with suitable strategies. Economies, mostly developing countries, are encouraged to invest in education, as education has proved to be handy in successful entrepreneurship. The study significantly contributed to the scant literature on women entrepreneurship, access to microfinance and MFI market microstructure, more importantly in Zimbabwe. It further opened a ‘can of worms’ on how the MFIs are treating women borrowers despite their clear objectives and mission. The resultant lending for consumption is one such deviation from the celebrated objectives of MFI in assisting in including those formerly excluded from the financial sector. Funding consumption spending as great repercussions to the economy and the central bank as the regulator of the MFI have to closely look at that.

RECOMMENDATIONS

Access to finance has been proven to be a challenge in Chinhoyi town. This study proposes a review of the screening process by the MFI and money lenders, prioritizing entrepreneurial credit over consumption credit. Entrepreneurial credit will help in creating jobs, providing sustainable income to a number of families. The fortunate thing is that women borrowers (potential borrowers) are hardworking and willing to go an extra mile in sustaining their businesses. This is a feature Zimbabwean economy can boast of and priorities lending in order to reap benefits of the enterprising groups of individuals. There is need for public-private partnership in proving the funding necessary for small business development. Considerations for regulating stokvels should be made, as this has proved to be great source for start-up capital for most women owned enterprises. The banks have the potential to tap in the MFI sector through partnering with already established groups within communities, providing them with lending funds without them bearing the associated costs of following each and every borrower. The group will be jointly liable so that there is no need to follow up on each individual.

Financial institutions in their holistic nature should consider developing relevant products to cater for the marginalised customers. Given the high repayment rate by women borrowers supported by literature, this is a lucrative market niche. Also, the institutions can improve their technical expertise in dealing with marginalised borrowers by embarking on research to understand the desires, aspirations and priorities of these communities, and thereby be in a position to provide relevant products. From another perspective, there is need to broaden financial literacy programmes in the form of consumer education. Banks and MFIs must be requested to set aside portions of their income for consumer education programmes, either through a specialised unit or partnering with training institutions like Universities and other research and development institutions to deliver the programme.

We also recommend that Government or NGO initiated microfinance institutions can also play an important role in making funds available at reasonable rates, thus increasing access to finance and contribute to poverty alleviation. Also, of all the funds available to assist women, responsible parties should make this aware so that women in need may take advantage of what is on offer.
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