

# The Contribution of Village Community Bank (VICOBA) on women empowerment in Shinyanga Municipality, Tanzania.

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## ABSTRACT

This study discussed the contribution of Village Community Bank (VICOBA) on women empowerment in Shinyanga Municipality, Tanzania. The study employed a qualitative approach, semi-structured interviews and Focus Group Discussion to collect data. Moreover the study used thematic analysis to analyse the obtained information. Through purposively sampling seventeen participants were interviewed. The study found that women in Tanzania, particularly Shinyanga Municipality come from destructive backgrounds, before joining VICOBA there were having challenges including lack of access financial services, lack of opportunities for their welfare, lack decision making power and property ownership because of their culture and traditions. But after joined VICOBA they experienced positive changes. Through VICOBA services such as loan, business training, income generating activities and savings programs women felt empowered.

**Key words:** Village Community Banks (VICOBA), Women empowerment, Patriarchy

## BACKGROUND

Women empowerment in this study has been defined as women acquiring ability to make decision in their family and community, access to income, property ownership and self-confidence. Tanzania, like any other African countries, where patriarchy system is practiced the roles of men and women are classified based on the local cultural context (TAWLA, 2013). Women seem to have less access and control than men to resources such as income, land, education and other opportunities (Osorio et al., 2014). Although women make major economic contributions in the country, women lack access of resources, decision making and they are forgotten in economic procedures, women still poor and if compared to male counterparts. According to Buberwa (2016) women face heavy responsibilities including taking care the family through taking part in agriculture and livestock keeping feed the family, food preparation, fetching water, collecting firewood and other household chores. This situation leaves women busy throughout and leads to the increase of economic burden to their partners/husband (Osorio et al. 2014).

Women have been the most underprivileged and discriminated strata of the society not only in Tanzania but the worldwide (Salum, 2017). Most of the females are frequently omitted from workplace, schooling, owning the property and equal involvement in policy making and decision making within the family and society. Under the strong influence of patriarchy culture, women in Shinyanga specifically are mostly engaged in subsistence farming and fairly domestic work while facing challenges in expressing their opinions within their families or community and lack of participating in social activities (Pelleberg 2012; TAWLA, 2013; Osorio et al., 2014). In spite of all Government and Non-Government efforts, women mostly have been highly poor and unable to access financial services (SEMIT, 2008; URT, 2017). The combination of customs, culture and some certain religions (Christian, Muslim and traditional believes) both create a bias against women. According to their cultures, customs and religious women are expected only to

take care of men and the children (IFAD, 2011).

The social structure which has been demonstrated by the patriarchy system distances women from contributing in the society growth. Women seem to be behind development due to the roles assigned by them (Chipindula & Mwanga, 2016).

Even though both men and women do the cultivation, when it comes to selling the farm produce, especially cotton and rice, or when it comes to sell livestock it is usually the man who sells and takes the money. Women are allowed to keep some household money if instructed by their husband. It is the man who makes decisions on how money is spent. In the context of property ownership, particularly land man controls land, only few women are capable of purchasing land or house in their own names and others are in joint with their partners (TAWLA, 2013; Osorio et al., 2014). This situation of discrimination puts women in the most disadvantageous position and also the victims of worst forms of violence (TAWLA, 2013).

The establishment of VICOBA in Tanzania is considered as a powerful instrument for empowering women and alleviates poverty (Kessy et al., 2017; Kinisa, 2019). The presence of VICOBA has tried to fill the financial gap to poor people in Tanzania who were excluded from the financial services of formal financial institutions like banks, and other insurance companies (URT, 2017). It is revealed in different researches that the participation of VICOBA program have been able to upgrade women socio-economic status by involving themselves into business activities (Dyanka, 2020; Massawe, 2020; Ollotu, 2017; World Bank, 2017).

VICOBA program facilitates access to savings, loan, income generating activities, and providing members with the resources needed to improve their living standards (Geissler & Leatherman, 2015). Through VICOBA, women members have been able to improve savings, income, business growth, and access to credits which help to make investments in family health and children's education (Massawe, 2020; URT, 2017).

## **METHODOLOGY**

From the very beginning of my research, I wanted to create a space for women who engage themselves with VICOBA in Shinyanga Municipality to congregate and tell stories of their lived experiences, both before and after joining VICOBA, and also their future aspirations. Therefore I chose qualitative approach because it would allow me to explore the experiences of women who engage themselves with VICOBA from a new and different perspective, with freedom and openness as supported by (Creswell and Clark 2007: 23).

The study employed case study method for data collection. Case study method was useful due to the nature of the research project since I was able to collect a large amount of detailed information and focused only on one specific issue (women members of VICOBA). Case study design was preferred also due to its flexibility in respect to data collection methods, and its ability to save costs in terms of both time and money as suggested by (Kothari, 2004). Seventeen participants were chosen by using purposeful sampling technique.

Data was collected from seventeen women members of VICOBA through the use semi-structured interview and focus group discussion. The researcher interviewed women who had been members of VICOBA for not less than 12 months in Shinyanga Municipality in order to get information about their experiences before and after joining VICOBA. The Semi-structured interview techniques helped participants to talk freely upon the issue and the researcher was able to get better understanding of the participants' perceptions.

## **FINDINGS**

After working through the data that had been collected through the interviews, certain themes emerged that

indicated the contribution of VICOBA on women empowerment in Shinyanga Municipality. Evidences showed that decision making was considered as one of the most important factors in regard to women empowerment. Women participants explained how their ability to make choices was very low and at some extent they were not in position to make any decisions within their families or community before. The ability of women to make decisions in the family was limited by most of their traditions and norms which did not allow them to make decision about anything in the family. As women gain access to VICOBA services, these services start transforming and making changes in their community.

The study revealed that, majority of participant interviewed lack income generating activities and savings before joined VICOBA due to the role assigned by them. Women were assigned mostly to do unpaid work (household chores). This was a major obstacle for women to improve their living standard. Through this, women, face a lack of self-actualization opportunities in the society. After joined VICOBA women reported to access savings, increase income, increase the ability to make decision within their families and community.

On the other hand, participants reported to be empowered by VICOBA through their services such as loans, income generating activities and business training. The things which were denied previously were acquired through engaging with VICOBA. Women reported to start their own businesses, own properties like land, house, farm, and livestock.

## DISCUSSION

The study used four criteria suggested by Alam (2021) to find out whether VICOBA program empowers women in Shinyanga Municipality, Tanzania. These four criteria include freedom of making decision at home, access, property ownership, and self-confidence. The study revealed that, participants before joining VICOBA some had ability to save little amount of money at home and other did not have. Participants reported that, in weekly meetings they are always encouraged to buy shares by depositing their money which enables them to get loans when they are in need. Savings are encouraged by VICOBA groups not only for getting credit but also as a fall back when it comes to revive business, which has been stuck by calamities. Women participants also explained that, through savings they are encouraged to take at least one loan over the year and at the end of the year the incomes they get are redistributed among members hence increase their savings. The accessibility of savings enables members of VICOBA to build financial security, manage financial shocks and help to invest in business opportunities. Moreover, this shows that through increase of savings members have been able to access loan at a low interest rate which helped them to access basic needs (food, shelter, health services)

The findings above concur with the study of Mmasa (2017) that, increase of savings help members in time of emergencies to get loan to support their business, family and agriculture productions. The accessibility of savings enables participants to build financial security, manage financial shocks and help to invest in business opportunities. Another study by Diiro et al., (2018) suggested that members of any microfinance should adopt the culture of saving. Their study observed the improvement of living standards of their members. Their study reported that members were encouraged to save more money for the purpose of investing in business and increase income. Gomera, (2020) also concur with this study that access to financial services including business management and savings improves the economic status of women and their households thereby increasing levels of savings, income, ownership of assets including land, house and livestock and reducing reliance on male partners.

On the other hand, Study reveals that participants increased their incomes through savings and profits from their business. Women reported to spend their income on health care, school fees for their children, manage house bills and repairs and to purchase kitchen utensils. Through VICOBA, women were able to overcome

many challenges they faced.

The increase of income also allowed women participants own assets, reduce vulnerability, increase self- esteem and improve their capability to prioritize their requirements and fulfill them.

The above context comply with findings of Morns (2016); Butterworth (2016); Hamboll (2018); Lazaro (2016); Marsland (2017) and Mganga (2018) which point out that VICOBA leads to increase members' income. Income enabled participants to overcome many challenges. Business however enabled women members to get loans and expand their business hence increase their incomes. Another study by Allen (2019) supports the above fact, implying that VICOBA help members to increases their income, and help to enlarge their businesses size which decrease the vulnerability, hence help their members to afford basic needs e.g., pay school fees, manage risk and work as a security in case of emergencies.

Furthermore, these findings link with the literature of (SEDI, 2010; URT, 2017) that the increase of income empowers participants. As a result this enhances their employment in creativities and improves income generating activities, improve their self-confidence, status within the family as independent producers, improves power of making decision and help them to achieve their reproductive role of caring their families.

On the other hand, VICOBA program in Shinyanga Municipality seem to increase decision making power to their members. The findings revealed that, the ability of women to make decisions in the family was limited by most of their cultures which did not allow them to make decisions about anything within the family and society. After joined VICOBA and starting accessing income their experiences changes on self- perception and perception that others have on them.

The findings above concur with Mganga, (2018) that as women accessing VICOBA services, those services start transforming and making changes in their lives where among of the changes is improvement on decision making within the family. This finding is supported by Massawe, (2020) that VICOBA program empowers their members more especially women by improving self-employment, assisting them meet their basic needs (food, shelter, health services etc.) hence increase their value, respect in their societies. This indicate that participating in VICOBA increases the participants self-esteem and self- effectiveness which lead to more active role in decision making both within the family and within the community. Thus, empowering women economically means a lot in improving their living conditions, welfare of their children, family and community at large.

## CONCLUSION

The main objective of this study was to examine the contribution of Village Community Bank (VICOBA) on women empowerment in Shinyanga Municipality, Tanzania. The study reveals that through income generating activities from VICOBA they experienced increased savings, and income. With increased income, these women were able to take their children to school, gain better health care, food security and improve housing. Improvement of their income influenced them to own different assets including house, land, business, transport tools and domestic animals. On the other hand, women participant experienced respect from their family and community due to the contributions they make in their families. For instance, some women got respect and appreciation when they took their children to English Medium School to get better education, when they started earning income and contribute in the family decisions and when they started owning properties. In addition, through savings women expanded their business hence gave them aptitude to help their families.

The above facts explain why some scholars support that, VICOBA programs empower women. In the context of limited choices, is somehow very important, in the sense that it helps women who have no

choices and who are limited to involve themselves in income generating activities in a patriarchy society to deal with the negative effects of discrimination, financial burden, lack of education opportunity and lack of property ownership (Chipindula and Mwanga, 2015; Kessy et al, 2017; Kinisa, 2019; Massawe 2020; Sumari 2016). Additionally, the study has shown that women in Shinyanga Municipality have been empowered through VICOBA. VICOBA has brought positive changes to women, and has controlled the situation of being financial dependent from their husband and discrimination.

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