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## Micro-Credit Services and Growth of Women Enterprises in Rwanda: A Case of Urwego Opportunity Bank

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### Abstract

This study delved into the pivotal role played by micro-credit services in advancing the growth of enterprises led by women in Rwanda, with a dual focus on their impact on both business development and enhancements in family lifestyles. Employing a descriptive survey research approach that integrated quantitative and qualitative methods, the research aimed to offer a comprehensive understanding of the subject. The primary objective revolved around examining the influence of micro-credit services on the growth of women-led enterprises, with specific objectives geared towards evaluating the effects of both financial and non-financial services on this growth trajectory. The target population encompassed 350 individuals, including women beneficiaries and employees affiliated with UOB in the Gasabo District. Using Slovene's formula, the sample size was determined at 186 respondents, with a confidence interval of 95% and a margin of error of 5%. Participant selection involved simple random sampling, employing a structured questionnaire as the primary data collection instrument. Key findings underscored the positive impact of small credit from UOB on the business activities of 69.6% of respondents. In terms of the influence of micro-credit services on family lifestyles, 58.7% strongly agreed, and 23.9% agreed that a significant improvement had been witnessed. Furthermore, 67.4% of participants acknowledged the contributory role of the accessibility of micro-credit services in poverty eradication. Statistical analysis using SPSS revealed a substantial and positive relationship (0.914\*) between micro-credit services and the growth of women-led enterprises, underscoring the significance of these services in fostering the overall development of businesses led by women. In conclusion, the research highlighted the notable role of micro-credit services in propelling the growth of enterprises led by women in Rwanda. The positive relationship established through statistical analysis emphasizes the potential impact of such financial interventions in empowering women entrepreneurs and contributing significantly to poverty alleviation in the region. A researcher recommended that it is good for the government and enterprises undertakers continuing to support this opportunity by offering and improving the services towards women enterprises through micro credit services.

**Keywords:** *Micro-Credit Services, Growth of Women Enterprises, Urwego Opportunity Bank, Rwanda*

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## **1. Introduction**

Benerjee and Jackson's (2017) research highlights challenges faced by women in developing countries, including limited access to education and financial resources. Discriminatory policies and regulations hinder women's financial access, with some laws restricting them from obtaining bank loans without male involvement. Social norms also contribute, limiting women's mobility and influencing their choice of sectors, often leading them to cluster in low-productivity service sectors.

Despite these challenges, Demirgüç-Kunt and Singer (2017) present a positive aspect, showing that women entering microcredit programs tend to significantly increase their business profits compared to men. Microcredit programs contribute to inclusive growth by boosting the number of enterprises in accessible areas.

In Rwanda's development, women striving for economic empowerment face persistent challenges due to limited access to crucial microfinance programs. Despite efforts to boost women's income-generating capacity, obstacles persist, primarily the insufficient integration of women into microfinance initiatives (Demirgüç-Kunt & Singer, 2017). The current research gap impedes understanding the challenges faced by women entrepreneurs in Rwanda concerning microfinance access. Bridging this gap is crucial to inform policies and interventions for promoting gender equality, fostering economic development, and uplifting communities through effective microfinance utilization in Rwanda.

## **1.2 Research objectives**

### **1.2.1 General objectives**

The general objective of the study was to examine the effects of micro-credit services on growth of women enterprises in Rwanda at Urwego Opportunity Bank.

### **1.2.2 The specific objectives**

- i. To examine the impact of financial services on growth of women enterprises in Rwanda at Urwego Opportunity Bank
- ii. To assess the influence of non-financial services on growth of women enterprises in Rwanda at Urwego Opportunity Bank
- iii. To establish the relationship between micro-credit services and growth of the women enterprises in Rwanda at Urwego Opportunity Bank

## **1.3 Research questions**

What is the impact of financial services on growth of women enterprises in Rwanda at Urwego Opportunity Bank?

How non-financial services influence the growth of women enterprises in Rwanda at Urwego Opportunity Bank?

What is the relationship between micro-credit services and growth of women enterprises in Rwanda at Urwego Opportunity Bank

## **2.1 Empirical Review**

### **2.1 Impact of financial services on growth of women enterprises**

Adeline (2013) explained the mechanism through which banks provide some conditions and modalities when they are dealing with collaterals based on the business projects. The added issue is that the women may be promoted not only in small businesses but also in the middle

businesses where the bank can help and empower the women for taking the middle loans in view of being shifted from small business to the middle as well as high business. The study confirms MSMEs' crucial role in advancing women's economic participation, aligning with broader goals of entrepreneurship and development in Rwanda. The research found that the married women are encouraged to the micro credit programs in view of contributing in household activities they are self-employed, and empowered to appreciate towards the microcredit provided by Duterimbere, their level of education is ranged between 18 and 25 years. According to the educational level the researcher found that a greater number of women do not have potential skills relating to business transaction and this affect the business performance in terms of price negotiation with the clients. Limited education background has been founded to be the most prominent question.

Gamba (2019) has found that micro - financial companies' development policies in the country like Tanzania and Rwanda, they are significant challenges about women involvement. SMEs contribute significantly to cultural and socioeconomic development in developing nations, known for their cost efficiency and labor-intensive nature. The study emphasizes the essential role of micro financial institutions in enhancing entrepreneurial innovation and fostering economic competitiveness. This underscores the interconnected impact of microfinance and SMEs in driving innovation and economic progress. The research also has demonstrated that there are probable various to access to resources as well as the network to overcome not only the mentioned difficulties but also some constraints.

Rahayu (2020) conducted research on the intersection of Islamic microfinance and empowerment, focusing on a case study of Baitul Maal wat Tamwil in Indonesia. The study likely delves into how Islamic microfinance practices contribute to empowerment within the specific context of Baitul Maal wat Tamwil, shedding light on the dynamics and outcomes of this intersection. The outcome, confirmed that there is such mentioned difference in the resources as well as networks to overcome.

## **2.2 Influence of non-financial services on growth of women enterprises**

Women are vital contributors to the economies of numerous developing nations. As these economies shift towards information-driven models, the access and utilization of information and communication technologies become pivotal for women's active participation (Michota, 2013). Controversies emerge around the impact of non-financial factors on women's economic empowerment, with Odell's (2010) study acknowledging challenges in drawing generalized conclusions due to the heterogeneity of microfinance interventions.

Economic empowerment not only facilitates women's access to financial and non-financial resources but also opens avenues for skill development and market information access. This empowerment forms the bedrock for realizing women's rights, fostering decision-making within households, and amplifying their influence in communities, thereby contributing to the establishment of more equitable societies (Hameed et al., 2019).

## **2.3 Relationship between micro-credit services and growth of women enterprises**

Participating in microfinance programs significantly boosts women's impact on businesses, leading to higher incomes, savings, and monthly family resources. Al-Shami, Razali, and Rashid (2018) demonstrate marked improvements in micro-business creation, employment, occupational status, and income levels following microfinance engagement. Women's economic development through microfinance not only enhances self-esteem but also commands respect for beneficiaries.



Serving as a vital financial tool, microfinance empowers women to initiate or expand businesses, reaping benefits from program participation. Solomon et al. (2019) underscore women's pivotal role in economic activities for household development. Engaging in microfinance credit programs positions women for economic advancement, fostering independence, and refining business leadership skills, highlighting the diverse positive impacts of women's empowerment through microfinance.

## **2.4 Research Gap**

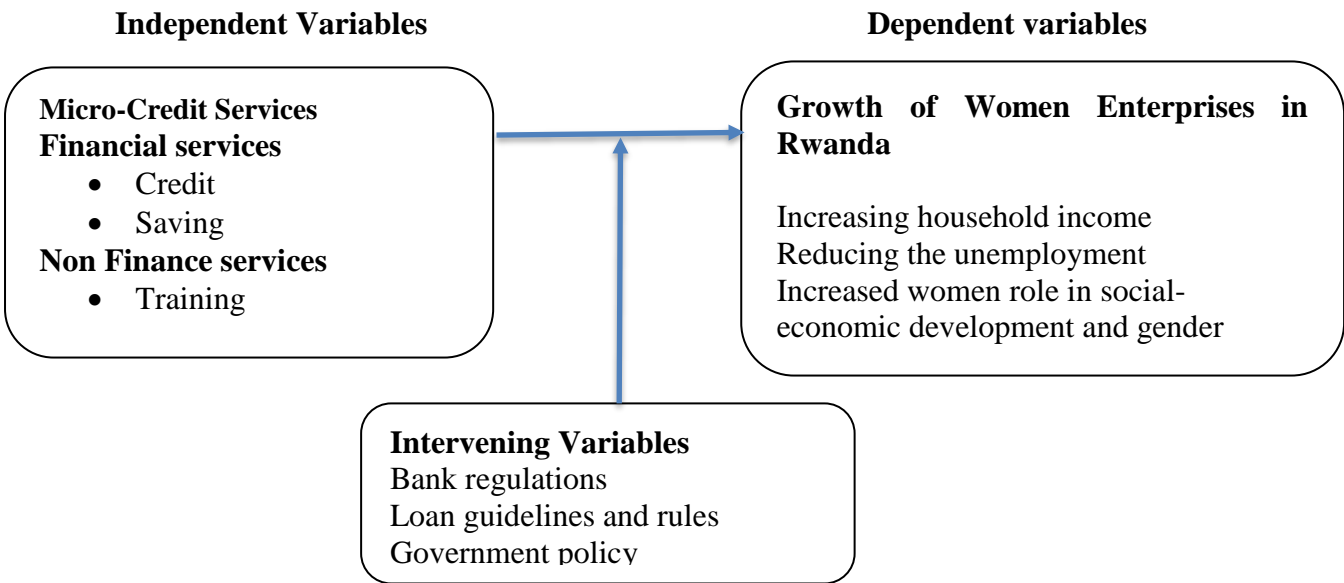
Rathirane and Semasinghe's (2016) study conducted in Sri Lanka underscores a noteworthy impact on women's empowerment resulting from microfinance services, despite the observed weakness in its magnitude. Recognizing the pivotal role of women in both country development and societal dynamics, the study highlights the challenges women encounter in their daily lives and societal expectations. Consequently, governments in developing countries are prompted to undertake necessary actions aimed at improving women's lifestyles and creating income-generating opportunities.

Conversely, Mohammad et al.'s (2017) study conducted in Ghana and Bangladesh presents a more optimistic picture, indicating a positive and tangible effect of microfinance on women's economic empowerment. This aligns with the consistent emphasis across various studies on the substantial impact of microfinance interventions. Collectively, these research findings contribute to a growing body of evidence supporting the vital role of microfinance in empowering women economically, thereby facilitating broader societal and economic development.

The other issue the women may be shifted from small business to the medium as well as high business in view of growing their life and taking the ability and skills of managing the different business as well and being the stronger investors. But the researcher based on the small loans and the microfinance institutional can encourage the women in granting those loans and controlling the movement in which the clients arrive in the other level of business i.e. to become high business women (Addai, 2017).

## **2.3 Conceptual Framework**

In the conceptual framework, the intricate relationship between variables is explored within the research problem. The primary focus is on empirically examining the correlation between microfinance institution services, considered the dependent variable, and women's decision-making capacity, influencing outcomes for both themselves and their families, denoted as the independent variable. Whether presented in written or visual form, conceptual frameworks draw upon comprehensive literature reviews of existing studies related to the research topic to establish a robust theoretical foundation.



**Figure 1: Conceptual Framework**

**Source: (Researcher 2018)**

In this research's conceptual framework, micro-credit serves as the independent variable, providing financial and non-financial services to empower women in managing businesses with reduced risk and increased financial preservation. The growth of women-led enterprises in Rwanda is considered the dependent variable, impacting household income, reducing unemployment, and enhancing women's roles in socioeconomic development. Access to loans strengthens women's decision-making in economic activities, contributing to household well-being and overall country development. This increased economic activity positively influences bargaining power and decision-making processes, fostering gender equality. Bank regulations, loan guidelines, and government policies act as intervening variables, influencing the relationship between micro-credit and the growth of women enterprises. These regulatory and policy frameworks shape how loans are settled, affecting the successful implementation of micro-credit programs. Summarily, women's economic empowerment through micro-finance is seen as a catalyst for broader societal and gender-related transformations (Meressa, 2020).

**3. Materials and Methods**

This study adopts a comprehensive research design, influenced by Phyllis (2014), which focuses on exploring the relationship between variables and their impact on the dependent variable. Utilizing a descriptive research survey design, the study investigates the effects of micro-credit services on the growth of women-led enterprises. The incorporation of both quantitative and qualitative methods enhances the depth of analysis and interpretation of findings, ensuring a nuanced understanding of the subject matter. The research maintains a robust 95% confidence level, reinforcing the reliability of conclusions drawn from the research outcomes.

The target population, as elucidated by Hamed (2016), consists of 350 individuals, encompassing women beneficiaries and employees associated with UOB in Gasabo District. This well-defined target population ensures insights into the effects of micro-credit services on women-led enterprises, offering a focused and comprehensive perspective.

The sampling design employs the Sloven's formula to determine a sample size of 186 respondents from the total population. Utilizing stratified random sampling ensures the inclusion of various groups within the population, enhancing the study's robustness by

capturing diverse perspectives and experiences. This meticulous sampling design aims to facilitate easy access to accurate data from respondents, contributing to the reliability and validity of the study's findings.

Data collection methods involve the use of a structured questionnaire, crafted in clear language to ensure easy comprehension and effective data accumulation. The questionnaire incorporates a mix of open-ended and close-ended questions, offering predefined alternatives for the latter and encouraging participants to express personal opinions on the research variables for the former. A preliminary test at UOB in Gasabo District ensures the efficacy of the data collection tools, with the pilot study helping identify and rectify inconsistencies, thereby enhancing the reliability and validity of the collected data.

Ethical considerations are paramount, with the study ensuring the confidentiality of respondents by not recording names or registration numbers. Approval for data collection was obtained through an official letter from the university, submitted to the office of Urwego Opportunity Bank, reflecting a commitment to ethical research practices.

In terms of reliability and validity, the study employs the Cronbach Alpha Coefficient to assess the internal consistency of the tools used for data collection. The pilot study results indicate a very good reliability rate of 0.92, affirming the soundness of the instruments. Data analysis involves processing collected data using SPSS software, facilitating the generation of frequencies and standard deviations for interpretation. Inferential statistics are then employed to explore relationships between variables, providing a comprehensive understanding of the study's findings.

#### **4.1 Presentation of findings**

This study delved into the impact of micro-credit services on the growth of women-led enterprises in Rwanda, with a specific focus on Urwego Opportunity Bank in Gasabo District. The analysis revolved around three primary objectives: assessing the influence of financial services on women-led enterprise growth, evaluating the impact of non-financial services on their development, and exploring the relationship between micro-credit services and the expansion of women-led enterprises in the designated region. These objectives formed a comprehensive framework for understanding the complex dynamics within the microfinance landscape.

##### **4.1.1 Impact of financial services on growth of women enterprises**

The study scrutinized the influence of financial services on the growth of women-led enterprises in Rwanda, specifically focusing on Urwego Opportunity Bank in Gasabo District. The findings were analyzed and presented in Table 1, providing a structured overview of the impact and relationships observed in the context of microfinance and women's entrepreneurship.

**Table 1: Impact of financial services on growth of women enterprises**

N <sup>o</sup>	Statement	N	Mean	Std. D
1.	<b>Does micro-credit grows women activities in Rwanda?</b>	N	Mean	Std. D
	According to your perception, do loans offered lead to growth in their enterprises?	180	4.39	0.682
	Can we assume the relationship between microcredits grows in women activities in Rwanda?	180	4.07	0.712
	Do clients use all loans granted for business activities by interest rate?	180	4.04	0.556
	By using micro-credit as financial services, the Benefits of has been increased considerably	180	4.41	0.777
	Do you think that to make an availability of microcredit to contribute a potential role in the growth of sale level of household in Rwanda?	180	4.02	0.577
	Did the firms total assets increase as a result of use of credit?	180	4.04	0.595
	How do the enterprises get benefits from in terms of sales volume from the microcredit offered?	180	4	0.789
	Does the financial services offer influence the use of microcredit level with in SMS in Rwanda?	180	4.59	0.541
	Microcredit accelerate economic Growth in women enterprises in Rwanda.	180	4.33	0.634
	Does the use of microcredit influence the creation of more SMEs?	180	4.26	0.743
2.	<b>Did saving increase the development of women enterprises in Rwanda?</b>			
	Increase in natural assets	180	4.22	0.629
	Increase in human assets	180	3.72	0.655
	Increase in financial assets	180	4.26	0.648
	Increase in physical assets	180	4.5	0.506
	Favourable market conditions	180	4.63	0.532
	Positive change in household demography	180	4.2	0.778

**Source: Primary data, (2022)**

Table 1 presents the results from respondents on the impact of financial services on growth of women enterprises in Rwanda at UOB in Gasabo District. The respondents responded using the scores of 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree. The results presented using the means and standard deviations. First quest was “Does micro-credit grows women activities in Rwanda?” Out of 180 women (respondents), on according to their perception, do loans offered lead to growth in their enterprises? the mean was 4.39 and standard deviation of 0.682 which showed that almost of them agreed that loans lead to growth in their enterprises. On can we assume the relationship between micro-credit grows in women activities in Rwanda? the mean was 4.07 and standard deviation of 0.712, which

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showed that there was relationship. On do clients used all loans granted for enterprises activities? the mean was 4.04 and standard deviation of 0.556 which indicated that they used all loans granted for enterprises activities. On by using micro-credit as financial services, the benefits have been increased considerably, the mean was 4.41 and standard deviation of 0.777 which means almost of respondents agreed that using micro-credit as financial services the benefits increased considerably and small interest rate is granted. On do you think that to make an availability of micro-credit to contribute a potential role in the growth of sale level of household in Rwanda? the mean was 4.02 and standard deviation of 0.577 this means that there was potential role when micro-credit was available to contribute to growth of sale level of household. On did the enterprises total assets increase as a result of use of credit? the mean was 4.04 and standard deviation of 0.595 which means high number of respondents agreed that the using of credit increased total assets. On how does the enterprises got benefits from in terms of sales volume from the micro-credit offered? the mean was 4 and standard deviation of 0.789 that means high percent of respondents agreed that benefits increased from micro-credit offered. On does the financial services offer influence the use of micro-credit level with in SMEs in Rwanda? the means was 4.59 and standard deviation of 0.541 which confirms that micro-credit influences SMEs. On micro-credit accelerate economic growth in women enterprises in Rwanda, the mean was 4.33 and standard deviation of 0.634 which presents that almost of respondents agreed and confirms that micro-credit accelerate economic growth. On does the use of micro-credit influence the creation of more SMEs? the mean was 4.26 and standard deviation of 0.743 which indicated that the creation of more SMEs influenced by micro-credit. Basing on the different responses, it was showed that micro-credit influenced the growth of women enterprises in Gasabo District, Rwanda.

On this objective, the second question was “did saving increase the development of women enterprises in Rwanda. On it increases in natural assets, the mean was 4.22 and standard deviation of 0.629 which means almost of respondents agreed that saving increased in natural assets. On saving increased in human assets, the mean was 3.72 and standard deviation of 0.655 which mean many respondents agreed but not much that saving increased in human assets. On it increased in financial assets, the mean was 4.26 and standard deviation of 0.648 which means almost of respondents agreed that saving increased in financial assets. On it increased in physical assets, the mean was 4.5 and standard deviation of 0.506 which indicated that almost of respondents agreed that saving increased in physical assets. On it increased in social assets, the mean was 4.35 and standard deviation 0.674 that confirmed that saving increased in social asset. On saving was favorable market conditions, the mean was 4.63 and standard deviation of 0.532 which showed almost of respondents strongly agreed that saving was favorable market conditions. On that saving increased the positive change in household demography, the mean was 4.2 and standard deviation of 0.778 which means many of respondents agreed that saving increased the positive change in household demography of women used the micro-credit in their enterprises in Gasabo District, Rwanda.

#### **4.1.2 Influence of non-financial services on growth of women enterprises**

This study assessed the influence of non-financial services on growth of women enterprises in Rwanda at Urwego Opportunity Bank in Gasabo District. The data was analyzed and presented in table 2.

**Table 2: Influence of non-financial services on growth of women enterprises**

Statements	Measurement	Lowly agree	Agree	Strongly agree
Do women use small loans granted for business activities?	Frequency	18	129	33
	%	10	71.6	18.3
By using micro-credit the benefits has been increased considerably	Frequency	26	45	109
	%	14.4	25	60.5
Did the availability of microcredit have a role in daily purchasing?	Frequency	22	125	33
	%	12.2	69.4	18.3
Did the firms total assets increase as a result of use of micro credit?	Frequency	22	122	36
	%	12.2	67.7	20
Has the use of microcredit influenced employment levels within the women enterprises in Rwanda?	Frequency	0	67	113
	%	0	37.3	62.7
Microcredit accelerate economic Growth in Business for Rwandan women.	Frequency	10	93	77
	%	5.5	51.6	42.7
Does the use of microcredit influence the creation of more enterprises?	Frequency	26	73	81
	%	14.4	40.5	45
Does micro credit increase in human assets (Education of children)?	Frequency	53	113	14
	%	29.4	62.7	7.7
Does small loan increase in social issue?	Frequency	14	81	85
	%	7.7	45	47.2
Micro credit causes positive change in household in gender relations?	Frequency	34	69	77
	%	18.8	38.3	42.7
Does micro credit contribute on primary Healthcare ( Mutuel de santé)	Frequency	0	18	162
	%	0	10	90
Does micro credit contributes in poverty eradication?	Frequency	5	50	125
	%	2.7	27.7	69.4
The training done become a key of being professional in doing business	Frequency	34	113	33
	%	18.8	62.7	18

**Source: Primary data, (2022)**

Table 2 presents the results of influence of non-financial services of growth of women enterprises in Rwanda at UOB in Gasabo District. The majority of respondents agreed that the micro-credit helps to improve the social economic development and help the women to give high contribution to the society. Out of the 180 women participated in the study, on “do

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women use small loans granted for business activities?” the 10% lowly agreed, 71.6% agreed and 18.3% strongly agreed that women use small loans to grant business activities. On by using micro-credit the benefits have been increased considerably, 14.4% lowly agreed, 25% agreed, and 60.5% strongly agreed that the benefits have been increased considerably due to the micro-credit availability. On “did the availability of micro-credit have a role in daily purchasing?” 12.2% lowly agreed, 69.4% agreed, and 18.3% strongly agreed there was the daily purchasing. On that the micro-credit accelerate economic growth in business for Rwandan women, 5.5% slowly agreed, 51.6 agreed, and 42.7% strongly agreed that the micro-credit accelerate economic growth in business for Rwandan women. On that micro-credit causes positive change in household in gender relations, the 18.8% slowly agreed, 38.3% agreed, and 42.7% strongly agreed that micro-credit causes the change in household in gender relation. On “does micro-credit contributes in poverty eradication”, 2.7% slowly agreed, 27.7% agreed, and 69.4% strongly agreed that micro-credit contributes to the poverty eradication. On that “the training done become a key of being professional in doing business”, 18.8% slowly agreed, 62.7% agreed, and 18% strongly agreed that training on micro-credit is a key of being professional in doing business

**Table 3: Growth of women enterprises**

Statements	Measurement	Women created job and give to others job	Women created job for themselves	Women sustained the existed business	Total
There is a relationship between micro-credit grows women enterprises in Rwanda?	Frequency	31	98	51	180
Percentage	%	17	55	28	100
As per your evaluation, do loans granted lead to growth in women enterprises?	Measurement	More than 10 years projects	Year Between 6-10 years projects	Between 0-5 years Project	
	Frequency	12	88	80	180
Percentage	%	7	49	44	100

**Source: Primary data, (2022)**

Table 3 presents the results of indicators on growth of women enterprises. On the questions upstairs in table, the respondents were requested the variables indicating the growth of women enterprises in Rwanda. The answer from this question showed that 31% are the women who created the businesses and give the other people job those created activities are dress maker, bakery and hair dressing, 55% are women used micro credit and eliminated unemployment, some of them had the stands of fruits and vegetables in different marketplace and 28% were the women who sustained the existed activities. Other question, they were requested to evaluate if loans granted lead to growth in their businesses according to the period. The answers from this question showed that 7% confirmed that loan granted can sustain the business or project more than 10 years’ projects, 49% between 6 and 10 years and 44% said that it can live between 0 and 5 years. The frequency in numbers of respondents

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among 180 women and the different level of activities and period as measurement shown that the micro credit used by women have the causal role in business as well as in country development in the different areas.

The following table showed how micro credit offered improved the role of the women in society here the respondents were asked to confirm some statement by using lower agree, agree and strong agree. The statement on how clients use all loans granted for business activities, 71.6% are agreed towards this statement, 18.3% of them are strongly agree and 10% are lower agree. On the variable like on how using micro-credit the benefits have been increased considerably, 60.5% are strongly agree with this statement, 25% are agree with the statement and 14.4 are lower agree. The respondents have agreed with 69.4% availability of credit use that is excellent to accomplish the research need. A question asked if the firms total assets increase as a result of use of micro credit 67.7% are agreed, and the use of microcredit influenced employment levels within the women enterprises in Rwanda. 62, 7% are strongly agree and 37.3 of respondents agreed about this statement. Microcredit accelerate economic Growth in Business for Rwandan women. The respondents shown that 42.7% are strongly agreed and 51.6% agreed, does the use of microcredit influence the creation of more enterprises? 45% were strongly agreed and 40.5 were agreed and less number of respondents are lower agreed of 14.4%. About the statement said if micro credit increase in human assets (Education of children)? 62.7% were agreed and 7, 7% were strongly agreed, the training done become a key of being professional in doing business 62.7% were agreed and 18% were strongly agree. Does micro credit contribute healthcare (Mutuel de santé) 90% are strongly agreed and 10%.

4.1.3 Relationship between micro-credit services and growth of the women enterprises

The research successfully established the relationship between micro-credit services and the growth of women-led enterprises in Rwanda, specifically focusing on Urwego Opportunity Bank in Gasabo District. The comprehensive analysis and findings are systematically presented in Tables 4, 5, 6 and 7, providing a detailed insight into the dynamics of this crucial relationship in the context of women's entrepreneurship.

Table 4: Relationship between Micro-credit and Growth of Women Business

		Micro-credit Services	Growth of Women Enterprises
Micro-credit	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	180	
Growth of Women Enterprises	Pearson Correlation	.914**	1
	Sig. (2-tailed)	.000	
	N	180	180

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, (2022)

Table 4 illustrates the relationship between micro-credit and the growth of women-led businesses at Urwego Opportunity Bank in Gasabo District, Rwanda. Utilizing Statistical Package for Social Sciences (SPSS) software version 21, Pearson coefficients were determined. The Pearson coefficient correlation ranges from -1 to 1, with -1 to 0 indicating a negative correlation and 0 to 1 indicating a positive correlation. The results revealed a high positive correlation of 0.914\* between micro-credit and the growth of women-led businesses in the specified region.

**Table 5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.914 <sup>a</sup>	.836	.835	.291

a. Predictors: (Constant), Growth of Women Business

**Source: Primary data, (2022)**

Table 5 displays the Model Summary, indicating that the R Square is 0.836. This result signifies that 83.6% of the variance in the growth of women-led businesses can be explained by the variables associated with micro-credit at Urwego Opportunity Bank in Gasabo District, Rwanda. The high R Square value underscores the substantial influence of micro-credit variables in explaining the variations observed in the growth of women-led businesses.

**Table 6: ANOVAa of Micro-credit and Growth of Women Business**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	76.539	1	76.539	905.923	.000 <sup>b</sup>
	Residual	15.039	178	.084		
	Total	91.578	179			

a. Dependent Variable: Micro-credit

b. Predictors: (Constant), Growth of Women Business

**Source: Primary data, (2022)**

Table 6 presents the ANOVA results, indicating statistical significance with F=905.923 and a p-value of 0.000. This signifies a significant relationship between micro-credit variables and the growth of women-led businesses at Urwego Opportunity Bank in Gasabo District, Rwanda. The low p-value underscores the robustness of the relationship, supporting the conclusion that micro-credit variables have a meaningful impact on the observed variations in the growth of women-led businesses.

**Table 7: Coefficients a of Micro-credit and Growth of Women Business**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.942	.117		8.031	.000
	Growth of Women Business	.809	.027	.914	30.099	.000

a. Dependent Variable: Micro-credit

**Source: Primary data, (2022)**

Table 7 shows the constant of independent variables of micro-credit, and its statistical significance is confirmed with a p-value less than 0.05. The results underscore the significance of micro-credit variables at Urwego Opportunity Bank, with a statistically significant p-value of 0.000b. This emphasizes the importance of micro-credit in influencing the observed variations in the growth of women-led businesses in Gasabo District, Rwanda.



## 5.1 Conclusion

The study's results demonstrate a substantial positive impact of micro-credit on women's business activities in Rwanda. A significant correlation of 0.914\* emphasizes the strong association between micro-credit availability and the growth of women-led enterprises in Gasabo District. Respondents, comprising a majority of 71.6%, acknowledged that micro-credit facilitated the initiation of small businesses, fostering economic growth. Moreover, 90% agreed that the benefits derived from micro-credit had notably increased. The study highlighted the instrumental role of micro-credit in poverty eradication, with a striking 97.1% of respondents affirming its positive contribution. Training in micro-credit was identified as a key factor, with 80.7% acknowledging its significance in enhancing professionalism in business. The study recommends continued support and effort from the government to harness the potential of micro-credit in empowering women, reducing poverty, and promoting overall societal well-being.

## 5.3 Recommendations

The study underscores the need for future researchers to thoroughly identify existing microfinance institutions supporting women's businesses. Recommendations include fostering collaboration between women and microcredit institutions, emphasizing policy support from the Ministry of Finance and Economic Planning. The study reveals positive contributions of microcredit, empowering women in decision-making, enhancing household income, and influencing gender relations. Future research avenues should explore the relationship between microcredit and rural development and assess its impact on poverty reduction for a more comprehensive understanding

## 5.3 Acknowledgement

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