

BARRIERS TO LOAN REPAYMENT AMONG TANZANIAN WOMEN: A CULTURAL AND SOCIAL ANALYSIS

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ABSTRACT: Women entrepreneurs have become a pivotal force in driving economic development across nations, contributing significantly to growth and poverty reduction. Microcredit programs have played an essential role in empowering women, particularly in least-developed countries like Tanzania, by providing access to credit that would otherwise be inaccessible due to the lack of tangible collateral. Over the past four decades, microcredit has emerged as a crucial tool in addressing extreme poverty and fostering economic independence among women. Globally, women constitute nearly two-thirds of the clientele in Micro Credit Institutions (MCIs), underscoring their vital role in the economic impact of such programs. This paper examines the influence of microcredit on the entrepreneurial success of women in Tanzania, exploring its contribution to economic growth and the challenges women face in utilizing these financial services. The study further emphasizes the importance of microcredit in achieving the Millennium Development Goals (MDGs), particularly in empowering women and promoting gender equality. By analyzing the benefits and limitations of microcredit, the paper aims to provide recommendations for enhancing its effectiveness in fostering sustainable entrepreneurship and economic growth, with a focus on women entrepreneurs.

Keywords: Women Entrepreneurs, Microcredit, Economic Growth, Poverty Reduction, Tanzania

1. INTRODUCTION

Globally, women entrepreneurs contribute significantly to the economic development of numerous nations (Ally et al., 2023). On the other hand, economic growth is characterized by a steady rise in a nation's output volume and Gross Domestic Product (Andem et al., 2023). Microcredit programs have been a key tool for providing loans to the underprivileged over the past 40 years, notably, women borrowers who traditionally had access to institutional credit mostly due to a lack of tangible collateral (Khandker, 2012; Nestory et al., 2022), and similarly as a strategic means to combat extreme poverty, particularly in the majority of least-developed countries Tanzania included. The United Nations (UN) noted that microcredits play a vital role in achieving the organization's then-current Millennium Development Goals (Hermes et al., 2015). It's common knowledge that women, who make up nearly two-thirds of Micro Credit Institutions'-MCIs clientele worldwide, are their primary target market (Mia et al., 2022). For the most part, group lending programs provide loans to microcredit borrowers (Ilavbarhe & Eronmwon, 2015), and others without access to financial inclusion as a way to lessen the issue of unemployment, particularly among women (Nestory et al., 2022). However, scholars have reported varying perspectives regarding the inability of microfinance institutions to substantially empower impoverished and disadvantaged women through the enhancement of their standard of living and business growth (Abebe & Kegne, 2023; Mengstie, 2022). With joint responsibility lending, the whole group of borrowers is held accountable for the loan's repayment, making them all liable. Although a minority of women work for MCIs, they nonetheless have higher repayment rates than other borrowers, which hinders their ability to significantly improve the lives of recipients (Godquin,

2004). Scholars report that the primary causes of that payback are laborious administrative processes, intricate loan conditions, payment delays, high interest rates, poor production prices, and, most recently, climate change, to name a few. The primary issue facing several financial institutions in many least-developed countries has been the low loan payback rate, to the point where it has forced some of them to liquidate (Makinta et al., 2023). Because the survival strategy of these MCIs depends on timely loan repayment by borrowers, engaging in this behavior could result in moneylenders seizing borrowers' assets as collateral.

Factors hindering loan repayment to MCIs among women borrowers have been a fundamental gender discussion among scholars globally. For instance, a global study by D'Espallier et al., (2009) that examined 350 MCIs in 70 countries indicated that having more women borrowers is related to having a smaller portfolio at risk, fewer write-offs, and fewer reserves for credit loss. These results support widespread beliefs that female borrowers in general pose a lower credit risk to MCIs (ibid) than their male counterparts. In adding together, Khandker, (2012) argued that women provide a lower credit risk than males and that women's organizations are more homogeneous than men's. This suggests that collective liability counts in both loan disbursement and repayment. A recent global study of 770 MCIs in 65 countries discovered a greater correlation between the religious component and loan losses for MCIs in Protestant-dominant nations as opposed to Catholic-dominant countries (Gyapong et al., 2021). Albeit, it doesn't alter how women borrowers behave when paying back their loans.

Other factors were also observed in Tunisia by Bassem, (2008) who noted that internal rules of conduct, similar businesses, peer pressure, self-selection, sex, education, and nonfinancial services all have a beneficial impact on loan payback to MCIs. In the US, a study by Fisman et al., (2017) uncovered proof that shared ethnicity, codes, and cultural proximity between borrowers and lenders boost lending availability and lowers default. It lacks these cultural proximities, unlike those MCIs.

The findings of African researchers on the variables preventing women borrowers from repaying loans to MCIs are not dissimilar from those of earlier worldwide researchers, notwithstanding some contextual differences in the issues. According to several researchers, most women who borrow money face several obstacles that keep them poor and dependent on their husbands (Majenga & Mashenene, 2014). For example, in Ghana Wongnaa & AwunyoVitor, (2013) found that factors like low education, experience, profit, age, supervision, and off-farm income had a beneficial impact on how well women borrowers repaid their loans, while another scholar found that the most common reason for loan delinquency was multiple borrowing (Boateng, 2018; Wongnaa & Awunyo-Vitor, 2013).

In Nigeria, Ilavbarhe & Eronmwon, (2015) among the issues preventing women borrowers from receiving microcredit loans include high-interest rates, inconveniences associated with loan repayment, and a lack of punctuality in applying for the loan. In the same locality, scholars Jatto et al., (2019); Makinta et al., (2023) reported that high interest rates, high default rates, age of beneficiaries, household size, years of formal education, type of work, distance to bank, sociocultural costs, the amount borrowed, availability of business information, lateness penalties for group meetings, loan disbursement, and poverty are some of the factors that hinder loan repayment (Jatto et al., 2019; Makinta et al., 2023). In Kenya, Kiraka et al., (2013) stated that factors affecting business growth for women borrowers were age, marital status, educational attainment, and family size (Kiraka et al., 2013).

In response to the issue that money borrowers were experiencing locally, the Tanzanian government, like other governments across the world, launched MCIs institutions with the first MCIs policy in 2000, amended edition in 2017, to improve the borrowers' access to financial services (Sakai, 2022), and the National Microfinance

Policy, which was implemented in 2002 to direct Tanzania's microfinance initiatives (Ally et al., 2023). Accordingly, the presidential trust for self-reliance (PTF), PRIDE Tanzania, Small Enterprise Development Agency (SEDA), Foundation for International Community Assistance (FINCA Tanzania), and Bangladesh Rehabilitation Assistance Committee (BRAC) are some of the leading organizations in the Microfinance Institutions category (ibid).

According to this country's regulation, the Tanzanian branch of the Bangladesh Rehabilitation Assistance Committee (BRAC) mandates that each borrower receives a loan based on her business plan, but with the assistance of other group members as collateral. Women borrowers are required to pay back loans with interest every week. Therefore, BRAC Dodoma has made several steps to ensure that these loans are repaid on time, including loan supervision, the efficiency of loan utilization, as well as rescheduling and refinancing. These are implemented to give non-payment debtors flexibility who want to repay loans but are unable to do so due to unforeseen circumstances (Smillie, 2009).

Since 2006, BRAC Tanzania has been actively implementing its development projects to help the underprivileged and marginalized people who live in extreme poverty (Msuya et al., 2019). Recent studies show that, despite BRAC's efforts to ensure smooth loan distribution to recipients, Tanzania is still facing the issue of loan payback resulting in life challenges among women borrowers (Kasoga & Tegambwage, 2021). To support Kasoga & Tegambwage, (2021) argument, multiple studies have revealed specific characteristics that prevent women borrowers from repaying their loans. For example, Mpogole et al., (2012), indicated that a large percentage of women borrowers in the Iringa region engaged in the practice of not repaying loans that had been provided. According to the Mpogole et al. study, 71% of the participants were admitted to frequently experiencing loan defaults.

Similarly, Charles & Mori, (2017), indicated that women are more likely to have significant levels of debt, which makes it difficult for them to meet their payback obligations. In addition to these factors, Majenga & Mashenene, (2014) reports that the main socio-cultural factors influencing women borrowers are their lack of business skills and education, poor access to business information, spouses' meddling in managing business funds, and poor support from them. Due to the practice's negative effects and occasionally short loan repayment terms, borrowers are unable to repay their loans as intended (Lwelamira et al., 2015). A study in Dar es Salaam found that a number of factors, including economic instability, high interest rates, financial literacy and repayment frequencies, MCI locations, transaction costs, weak institutional credit appraisals, borrower characteristics, moral hazards, education, health, and family sizes, all had an impact on women's low repayment rates (Ally et al., 2023).

A recent study from Butiama district theorized that several factors, including credit regulations, internal controls, training and monitoring, leadership experience, group size, age, gender, marital status, educational attainment, peer pressure, belief in societal employment opportunities, business performance, loan amount and use, payback period, type of business being financed, and distance to the lending institution, impede loan repayment among borrowers (Mwanukizi et al., 2024). Although women borrowers with microbusinesses have a higher need for trade credit, a new study in Dodoma shows that excessive debt and multiple loans are prevalent issues that women borrowers in the city face (Sakai, 2022). The study conducted at BRAC Arusha City by Msuya et al., (2019) which found low levels of arrears, little portfolio at risk, and few write-offs, implying strong repayment performance, conflicts with these findings. These results imply that the survey groups' borrowers are among the best performing groups in the research field, with no defaults and hardly any delays.

No study has yet looked into the socio-cultural barriers that women loan borrowers at BRAC Dodoma, notably those in the Nzuguni and Njedengwa wards of Dodoma City, face when trying to repay their loans. The reviewed literature primarily focuses on issues like excessive debt among borrowers from microfinance institutions, repayment performance in group lending, multiple borrowing and loan repayment, sociocultural factors and financial performance among women-owned small and medium-sized businesses in Tanzania, women's participation in microcredit services and its impact on business improvement, household welfare, and women's empowerment (Kasoga & Tegambwage, 2021; Msuya et al., 2019; Mpogole et al., 2012; Majenga & Mashenene, 2014; Lwelamira et al., 2015).

As a result, this study was carried out to close a population gap. Previous studies carried out in Dodoma City's Nzuguni and Njedengwa wards did not involve women loan borrowers at BRAC Dodoma as research subjects. Therefore, the goal of this study is to investigate sociocultural factors that prevent women borrowers at BRAC Dodoma from repaying their loans. The study is guided by the question: What are the sociocultural factors that hindered loan repayment among women borrowers? whereby, in the analysis, four sub-themes of the information emerged as effects of marital factors, family size, social festivals, and the influence of peer pressure on loan repayment. The objective of this question was to create a qualitative study that would reveal the way social-cultural factor hinders women to repay their loans.

2. METHODOLOGY

2.1. Study Area

Dodoma City is one of the cities in Tanzania with over-indebted microcredit borrowers (Sakai, 2022). According to Kasoga & Tegambwage, (2021), there is a serious over indebtedness problem among microloans in the city. It should be added that the city's debtors spend at least 75% of each month's revenue on paying off past-due obligations.

BRAC Microcredit Institution was selected as the study's subject because it has long been a prominent lender of funds to women and is one of the successful MCIs that provides financial support to a significant number of microloan borrowers (Msuya et al., 2019). Nzuguni and Njedengwa wards were chosen for the study because they had a higher percentage of female borrowers who fail on loans (30%) than other wards in the City (ibid).

2.2. Research Design

This study used the cross-sectional research design within which the researchers could measure the outcomes and the exposures of the study and the participants at the same time. This design allows the researchers to attain concrete information within a short period, especially when participants have a wide range of sociocultural backgrounds. It was convenient to use a cross-sectional design because the researchers had face-to-face contact with participants. In addition, this study employed a qualitative approach which was believed by the researchers to fit the social phenomenon under study. Researchers espoused the qualitative approach because it enabled us to have a deeper understanding of human experiences, phenomena, and context in their day-to-day situation in matters of loan borrowing, payments, and failure. Thus, the study needed to capture the views, experiences, and perceptions of the participants concerning loan repayment. Therefore, the qualitative approach enabled researchers to go directly to the field to observe and collect data and provide in-depth information to come up with a deep understanding of the research findings.

2.3. Population and Sampling

The targeted population of this study was groups of women borrowers, both defaulters and non-defaulters as inclusion criteria to ensure reliable data from all sides and points of view. Women borrower's defaulters are those

who fail to repay the borrowed fund as agreed by the lenders, while women borrowers' non-defaulters are those who repay the borrowed fund on time as agreed by the lender. However, the study excluded men because they failed to meet the required criteria as women borrowers. Purposively a study selected 4 BRAC officials and 2 Ward Executive Officers (WEO) were included as the key informants by virtual of the service they offered to women borrowers. In addition, Women borrowers were involved in the focus group discussion.

2.4. Sampling Procedures and the Sample Size

The study used non-probability sampling techniques, whereby both purposive and quota sampling techniques were employed and enabled researchers to select informants in the study area. The purposive sampling technique was used to obtain key informants because they are the experts and have wider experience concerning loans and loan borrowing. Finally, we used quota sampling to arrive at participants in the FGD. Thus, informants with characteristics required by the researchers were the ones chosen. The sample size of this study depended on the immersion of the desired information. Of the total informants, 4 were key informants from BRAC loan officers, 2 WEOs, and 60 participants were women borrowers from the two selected wards. Three groups from each ward comprised 10 participants in the FGD.

2.5. Tools of Data Collection

Researchers used in-depth interviews and focus group discussions (FGD) as tools for data collection. Focus Group Discussion (FGD) was used to explore the borrower's experiences and understanding of their efforts to repay the loans given. The study conducted FGDs with 60 women borrowers. The method was used because Participants who borrow from BRAC have similar characteristics stemming from their experience in borrowing and repaying loans. Usually, FGDs are being within groups of 6 to 12 individuals. However, at BRAC, women organize themselves into groups of 10 to 12. Therefore, a total of 6 FGDs were conducted to respond to open-ended questions.

Researchers used in-depth interviews to determine participants' beliefs, values, understanding, emotional states, experiences, and perspectives on the matter under investigation. It also allowed researchers to engage in a multifaceted issue and to learn more about the experience and feelings of the participants. Researchers used an audio tape recorder after obtaining consent from the participants. Thus, semi-structured interviews were conducted with BRAC officers and WEO. The interviews were conducted during afternoon hours after field visits and lasted 30 to 45 minutes. Eventually, data collected with the tools above were analyzed thematically by using six steps of data analysis as identified by (Braun & Clarke, 2006).

2.6. Data Processing and Analysis

In the study's qualitative analysis stage, Reflexive Theme Analysis (RTA), a six-phase methodology thematic analysis method, was employed. Phases 1-2: Familiarization and coding, Phases 3-5: Theme development, refinement, and naming, and Phase 6: Writing up aimed to show the researcher's active participation in knowledge creation (Braun & Clarke, 2020). A language translator working under the direction of MAXQDA software for data transcription translated and transcribed all in-depth interviews from the local language (Kiswahili) to English. We checked and verified these translations with field notes to make sure they were accurate. The data was coded using QDA Miner Lite software. They established the code structure and analytical framework. Codes were organized and classified based on the primary theme derived from the interviews.

The field notes were used to highlight major explanatory themes or topics. A comprehensive report of the conversation and interview was then created, including a summary of the significant concepts, ideas, and feelings expressed by the respondents. After transcribing and translating the field notes into English, the data were sorted

and collated using the thematic analysis procedure. The compiled data were then divided into codes and reorganized and recombined numerous codes together under one theme. Reports on the sociocultural barriers to loan repayment faced by Tanzanian women borrowers were written using themes.

2.7. Ethical Considerations

For this research to be accomplished, several ethical issues were taken into consideration. Firstly, we got research clearance from the University of Dodoma (UDOM), the Regional Administrative Secretary allowing the researchers to collect data in the Nzuguni and Njedengwa wards. In the process, participants were informed of the study's purpose and reassured that the information they would provide would be used for the study only and not otherwise. Participants filled in the consent form as a guarantee of voluntary participation. However, the participants were free to withdraw from the study at any time during data collection if they so wished.

3. RESULTS AND DISCUSSION

In data thematic results, the main question being addressed in this study was: What are the socio-cultural factors that hindered loan repayment among women borrowers? The objective of this question was to create a qualitative study that would reveal the way social-cultural factors hinder women to repay their loans. Listed below are the emerged four sub-themes of the information that emerged as effects of marital factors, family size, social festivals, and the influence of peer pressure on loan repayment. Thus, the discussion will be guided by the above-identified sub-themes as follows:

Sub-theme One: Effects of marital factors on loan repayment

The researchers conducted an in-depth interview with the key informants and FGD concerning socio-cultural factors that impede women borrowers from repaying their loans. During the FGD, one of the informants indicated that there was a tendency of the husbands to undermine women such that they could not do anything and that their role was to stay home and take care of the family. The informant from BRAC indicated that with such a notion if a woman borrows money, she is prohibited by her husband to establish a business which makes them fail to repay the loan as quoted here below;

“One of the socio-cultural factors that hinder women borrowers from repaying their loans is the undermining of women in the society or family. There is a tendency in our society that a woman should just stay at home and take care of the family or children. Therefore, in some societies, if a woman establishes a business, people in that particular society won't go to her shop simply because she is a woman. Therefore, by not having customers, she cannot generate profit or repay the loans she has borrowed, thus making it difficult for her to repay the loan”.

(Key informant, Female aged 45)

In the same regard, another informant indicated that family responsibilities were one of the reasons for women borrowers not being able to repay the loans. The informant from BRAC indicated that many women borrowed money to deal with family issues such as sending children to school and buying basic needs where these sorts of activities did not generate profit as quoted saying;

“Another socio-cultural factor is that women borrow money to address family problems but these activities do not generate any kind of income or profit. For example, paying school fees and meeting household needs. These activities do not generate income; therefore, it becomes difficult for a woman to repay the loan because she cannot return the money, she borrowed to address family issues” (Key informant, Female aged 30)

During the interview, researchers noted that women borrowers' perceived marriage and family responsibilities to be the major factors that made women fail to repay the loans. The finding implies that socio-cultural factors such

as the undermining of women, marriage, and family responsibilities have been hindering women from repaying their loans. This finding is supported by the studies of Simba, (2013) who indicated that sociocultural factors such as traditional norms, and beliefs hindered women from engaging themselves in economic activities that would assist them to generate income.

In addition, the researchers observed that married women seem to be affected by the loan repayment performance and, thus, a majority of them fail to utilize the given loan by diverting it into unintended activities. Men have been advising their wives to borrow the loan and once they receive it, it is not used on income-generating activities as need intended. Thus, to a greater extent marriage makes women borrowers fail to repay their loans as the majority of the informants revealed that marriage is seen to contribute to the failure of loan repayment among women borrowers compared to the other group of women in all aspects. During the interviews, the interviewee from BRAC had this to say;

"It is true that marriage has to a greater extent affected women borrowers from not repaying their loans. This is because their husbands do not support them in running their business activities" (Key informant, Female aged 45)

Moreover, another participant was asked to explain whether the marriage was among the sociocultural factors that hindered women borrowers from repaying their loans. The findings revealed that marriage has contributed to the failure in repaying their loans. The participants indicated that in many instances, the husbands convinced their wives to borrow money but after borrowing the husbands tended to misuse the money for drinking which is unproductive. One of the interviewees from BRAC elaborated on this as quoted saying; *"Yes, this has been one of the major socio-cultural factors that have been hindering women from repaying their loans. The problem is that the husbands of the women borrowers have always been the cause of this problem because they persuade their wives to borrow money but when they get the money. They use it for unproductive activities such as drinking alcohol. So, this makes women borrowers fail to repay the loan"* (Interview with the key informant, a Female aged 35)

Another informant BRAC indicated that the husbands persuaded their wives to borrow money and left the responsibility of repaying the loans to their wives, and had this to say;

"The problem comes when the husband asks or convinces his wife to borrow money. For instance, paying school fees or building a house but when it comes to repaying the loan. The husbands leave the repaying task to their wives so it becomes difficult for these women to repay the loans they have borrowed" (Interview with the key informant,

Female aged 45)

The same question was asked to the FGD, the response indicated that it was indeed true that marriage is one of the contributing factors for borrowers not being able to repay the loans they had borrowed from BRAC. The reason that women borrowers gave was not far from the reasons given by key informants. The women borrowers also indicated that husbands were the main obstacle. These women indicated that their husbands were taking the borrowed money and using them for drinking. They also indicated that they might agree to borrow but repaying the burden tended to fall on them. Another FGD woman indicated that their husbands were an obstacle to their businesses because they did not want to see them working late. They further indicated that sometimes the husbands would prohibit them from going to their businesses, for example, for those who sold refurbished clothes their husbands would prohibit them from attending to their businesses because they spent all of the day out there.

In cementing on this, Wongnaa & Awunyo-Vitor, (2013), indicated that cultural factor such as undermining women have been hindering women borrowers from repaying their loans. In adding together, Nestory et al., (2022); Kamanza, (2014) discovered that failure to repay loans was predominant among married women owing to numerous competing gender roles which deterred them from focusing on their daily businesses. and therefore, substantially affected loan repayment (Kamanza, 2014; Nestory et al., 2022).

Therefore, in our field observation, we noted that women do experience challenges in generating money to repay the loans they had received. Based on these findings, the implication is that marriage is one of the socio-cultural factors that were found to hinder the women borrowers from repaying their loans borrowed from BRAC. The main problem that was highlighted by the key informants and the women borrowers was that the husbands were the main obstacle to these women when it came to repaying the loans which they had borrowed from BRAC. These findings are inconsistent with some studies, for example, D'Espallier et al., (2009), showed that married women are better payers because they are easily influenced by coercive sanctions by MCIs and members of the groups (D'Espallier et al., 2009), and Mia et al., (2022) who discovered that the financial performance of MFIs is positively impacted by female clients and female board members. This could be explained by the fact that women are better at organizing and keeping track of things and using loans responsibly (Mia et al., 2022).

Arguably it is easy for women to feel embarrassed by the verbal antipathy of their fellow women, and thus majority tend to work quickly on their repayments to avoid any possible embarrassment. The study concludes that marriage has been noted to be one of the sociocultural factors that were hindering loan repayment among women borrowers in the respective wards.

Sub-theme two: Family sizes and its effect loan repayment

The researchers conducted an in-depth interview with the key informants with women borrowers who were asked to indicate the extent to which family size contributed to the failure to repay the loans. Interviews indicated that family size contributed to the failure of loan repayment among women borrowers. They argued that having a large family size gives them a lot of responsibilities to fulfill with the little income they have and, thus, affects their performance in paying the loans. Only a few informants indicated that family size affected them to a smaller extent in the course of repaying the loans, as one interviewee from BRAC was quoted saying;

“Well, many of the women borrowers have been complaining or giving excuses that the money they borrow is used to handle family emergencies. For example, it was used for paying school fees for their children, and to buy food for families. Send the sick relatives or children to the hospital. These expenditures used up all the money they had borrowed. Because the expenditures are not productive, it becomes difficult for the women to repay their loans” (Interview with the key informant, Male aged 35)

Another interviewee indicated that some men had the habit of handling family responsibilities to their wives. These forced women to use the borrowed money to meet family responsibilities like paying school fees and buying food. The interviewees indicated that since women were left with such responsibilities, they failed to establish or direct the money to business activities that would generate income that would enable them to repay the loans, one interviewee in the Nzuguni ward had this to say;

“Many of the men leave the family responsibilities to the women. Therefore, the money women have borrowed they use to cover the family expenses. Instead of the money being allocated to income-generating activities, it is used to cover household expenses. This makes them fail to repay the loans” (FGD conducted with the borrowers)

To complement the interview findings, the researchers conducted FGD with the women borrowers where the findings indicated that family responsibilities were one of the factors that contributed to the failure in repaying the loans. Women borrowers indicated that having a large number of children was a huge turndown to the repayment of the loan since they faced a lot of responsibilities such as paying school fees buying food for the family and meeting their other responsibilities; thus, they failed to repay the loans.

Some studies confirmed that participation in microcredit services by women traders was positively influenced by several dependents and the responsibility of taking care of a family (Lwelamira et al., 2015). Other researchers have shown that domestic chores contribute a lot to women's failure to repay loans. Additionally, that, these chores involve activities such as feeding children, paying house rent, and hospital bills (Kiraka et al., 2013). Another study demonstrates that factors such as group maturity, the ratio of family workers to household size, and household income are negatively associated with the incidence of delinquency (Nestory et al., 2022; Singh & Gupta, 2021). Other studies determined that women's poor repayment rates are influenced by social factors such as borrower characteristics, moral hazards, education, health, and family sizes (Ally et al., 2023). While, others scholars came to the conclusion that the farmers' perspective on interest rates, family obligations, and payment delays contributed to the default (Jatto et al., 2019).

These findings are inconsistent with the study by Sileshi et al., (2012), who disclosed that they did not find any significant difference in the family sizes of defaulters and those no defaulters. We conclude in this theme that family size was one of the factors that contributed significantly to the failure of loan repayment among women borrowers.

Sub-them three: Effects of social ceremonies (Circumcision Rites/Rituals) on loan repayment

Social ceremonies such as male circumcision (MC) appeal to tradition and generally continue to repeat historical precedents, rites, mores, or ceremonies. Thus, the current study found that circumcision rates are among the sociocultural factors that hindered women borrowers from repaying their loans. Through in-depth interviews with the key informants and FGD with the women borrowers, it was revealed that women borrowers from the “gogo” ethnic group who had boy children faced the challenges in repaying the loans they had taken when it reached the time of conducting circumcision to their children. During data collection, the interviewees indicated that circumcision rites contributed to the failure of loan repayment among women borrowers as one interviewee at BRAC was quoted saying;

“We have been receiving multiple cases concerning our borrowers diverting their loans to conduct a circumcision ceremonial function where people are invited to a function which parents have to make sure the ceremony is huge to earn respect in the nearby households. However, this consumes a lot of money, which unfortunately is the very money which they had borrowed from the MCIs by doing this, they fail to repay the loans they were given” (FGD conducted with women borrowers)

The FGD responses push Morris et al., (2016) to emphasize that health, medical, sexual, and cosmetic benefits may explain why MC is a fundamentally inherent part of diverse human cultures globally, adding that, approximately half of the circumcisions were for religious and cultural reasons. While the whole process usually takes place outdoors in a recognized medical setting, in Dodoma city still there are some Indigenous family members who prefer the exercise to be practiced at home by well-known experienced members, inviting neighbors to celebrate the same.

Researchers observed that, at the age of seven and above, a boy child from gogo society must be circumcised and termed a hero in the respective household. Thus, when it reaches that particular period, parents gather and start

having meetings on how the ceremony will be conducted, having guests, food, music, drums, etc. The boy has to stay at the 'Jando' for almost two months far from home where he will be practicing a traditional dance called 'Hambali'. During this period, boys are taught different social norms, values, etc. as one of the interviewees from the Ndejengwa ward commented;

"Conducting a circumcision rite is not an easy duty because you should prepare a sufficient amount of money that would enable you to buy the necessities such as food, and drinks and hire traditional dancers and musicians to entertain. A woman who has a loan is likely to be tempted to use the money that she has generated in the business to meet the requirements of the ceremonies without considering any means of getting the used money back" (FGD conducted to women borrowers).

Based on the findings generated from informants through the interviews conducted and the FGD, it is concluded that circumcision rites were one of the factors that contributed to the failure of women borrowers to repay their loans. This is because women invested heavily in such ceremonies. After all, it was thought to be socially prestigious to conduct such a social function.

They would normally refer to such an event as '*kukata mtaji*' translated as loss of capital. Unfortunately, the spent capital turned is the money one had borrowed from the MCIs. As put forward by Brehanua & Fufa, (2008), the expenditure used for social festivals was found to have a significant effect on the loan repayment performance of smallholder farmers.

Moreover, Fisman et al., (2017), asserted that cultural proximity was a challenge and it resulted in many borrowers defaulting because the institution's capital had been misallocated. Thus, it was then concluded that the quantity and quality of repayment performance reduced when the loan officers of a particular religion or ethnic identity of the branch changed. These findings are not concurring with the findings of Gyapong et al., (2021) who found vigorous data on a negative association between religiosity and loan losses in MFIs. They further concluded that the relationship between religiosity and loan failure is higher for MCIs in Protestant dominated countries than in Catholic-dominated countries. However, we suggest that circumcision rates are among the sociocultural factors that hinder women borrowers from repaying their loans.

Sub-theme four: The influence of peer pressure on loan repayment

The influence of peer pressure is when one chooses to do something he/she wouldn't otherwise do. It is not just or always about doing approximately against your will (Goel & Malik, 2017). In this theme, we found that peer pressure was hindering women borrowers from repaying their loans. As one interviewee from BRAC had this to say;

"This issue is very sensitive. It has been happening that, when one is very much in need of the loan, she tends to convince her friends to create a group with fake business plans or business structures to convince BRAC that they have an economic plan that will make them return the loan once they have been given. However, funny enough, after every few days, the group collapses and it remains only with people, who are committed, and these have to contribute to those who have run away, or else, they should give the clue as to their whereabouts. Thus, peer pressure affects women borrowers" (interview key informant, Female aged 45)

The individuals who are being left behind when the others have run away with the loan are the ones that are being held in prison; they have to make sure that the money is being paid. Also, for some of the borrowers who were failing to generate money, their peers were the ones to help them make sure that the money was returned on time by any means as one participant from BRAC said; *"I introduced a friend to BRAC when she had gone through several challenges in life. I encouraged her to borrow money that would help her generate income. The borrower*

was added to my group. Later on, it seemed that she had no business and ended up using the capital. All of the burdens shifted to me but slightly to my fellow group members. We had to contribute to return the money” (Interview with key informants).

Having compiled the results from both the key informant and informants from the interview and the FGD the findings have indicated that peer influence was among the factors that contributed to the failure of loan repayment. To be given a loan, people had to encourage their friends, and neighbors to join groups which in the end some just disappear or seemed to be clueless on money-generating issues leading to loan failure. These findings concur with those of Bassem, (2008) & Singh & Gupta, (2021), who revealed that among the factors that contributed to the failure of loan repayment and group performance were homogeneity, peer influence, and social ties associated positively with delays and overdue among borrowers. On his side, Nestory et al., (2022) asserted that the biggest obstacles preventing borrowers from repaying their loans include group dynamics, dispute within the group, the delay between loan application and disbursement, and poor use of the loan (Nestory et al., 2022). Another scholar concluded that an important factor influencing loan repayment success is loan diversion; other important factors include group size, peer pressure, and entrepreneurship training (Mwanukizi et al., 2024).

On the contrary, some authors demonstrate that beliefs and interconnectedness between the group adherents influence the repayment performance of the micro borrowers (Khandker, 2012). Other scholars demonstrate that the ties borrowers have with individuals outside the group and the informal risk insurance arrangement they represent, help to survive in general, and repay their loans, in particular, Postelnicu et al., (2019), because it incentivizes group members to use their social ties to screen, monitor, and enforce loan repayment on their peers (Postelnicu et al., 2014). Unlike those who have designed their groups for a diverse mission instead of just acquiring the loans (Freedman & Jin, 2017). Other scholars propose that the threat of losing the informal risk insurance arrangement embedded in one's external ties matters for loan repayment even more than internal ties (Postelnicu et al., 2015). In this theme, we suggest that peer pressure has been recognized among the factors that lead to the failure of loan repayment among women borrowers.

The findings in this section will significantly influence future improve the loan repayment capacity. Taking these results together, they indicate that loan should be timely and early approve and disburse to women borrowers to enable them carry out their operations at the right time, women borrowers should be encouraged to keep at least a simple record of their business and the government to make effort to end the insurgency and insecurity in the MCIs. Based on how unique the social phenomena examined with a qualitative design are, this study seems to be the first to look at socio-cultural barriers to loan repayment faced by women borrowers in Dodoma City's Nzuguni and Njedengwa Wards. Consequently, the results of this study add to Tanzania's existing body of practice-based research.

The current study has two significant limitations despite the important evidence it offers. First, just one of the five major players in Dodoma City's microfinance institutions was included in the study, underrepresenting the other institutions. Given these inadequacies, it is regrettable that the current study did not address the experiences of female borrowers in other MCIs with respect to the obstacles preventing them from repaying loans; further research on the same subject has to be done in other MCIs.

4. CONCLUSION

This study sought to investigate the socio-cultural factors hindering loan repayment among Women borrowers in Tanzania. Extreme poverty has been identified as a strategic issue that needs to be addressed, especially in the vast majority of the least developed nations. The MCIs continued to be crucial in helping beneficiaries live better

lives, however, due to several variables, a minority of women in MCIs have greater repayment rates than other borrowers. Based on the study's findings, the researchers concluded that peer pressure, social festivals, marital circumstances, and family size are among the sociocultural factors that prevent women borrowers in the study area from repaying their loans.

The study recommended the following things: First, in terms of marital status and family size, it is advised that female borrowers use more of their borrowed funds as sources of income rather than solely focusing on non-income-producing activities like childcare. Second, on social festivals, it is recommended that women borrowers be aware of the proper utilization of the money they have borrowed rather than spending on ceremonial activities. Thirdly, to combat the effects of peer pressure, it is advised that female borrowers work together as a team. For example, if one of them has defaulted on a loan, the other members of the group should help the other person still receive the loan. Fourth, for women borrowers to know how to properly use the money they have borrowed, Bangladesh Rehabilitation Assistance Committee needs to focus more on offering training and education to them. Notwithstanding these drawbacks, the research undoubtedly advances our knowledge of the Socio-cultural barriers to loan repayment faced by women borrowers in Dodoma City's Nzuguni and Njedengwa Wards. Future research needs to look into this more on socio-cultural barriers to loan repayment experienced by women borrowers in Dodoma City in other MCIs and Wards.

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