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Microfinance and Poverty Reduction among Women Households in Kageyo Sector, Gicumbi District in the Northern Province of Rwanda

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ABSTRACT

As we move from MDGs to SDGS, this study has the intention to contribute availing strategies and guidelines that may help to overcome challenges and maximization of opportunities for Rwanda in realizing SDGs. It was conducted in Kageyo Sector, Gicumbi District in the Northern Province of Rwanda with specific objectives (1) to analyze if and how Microfinance contribute to poverty reduction among women households in Kageyo Sector, (2) to investigate Challenges of women running microfinance and (3) to propose possible solutions to challenges experienced by women running microfinance in Kageyo Sector. Being exploratory, this study was conducted on a sample of 29 from 32 women heading households in Kageyo Sector and accessing microfinance. Qualitative and quantitative information were collected. Historic, comparative, analytic methods and techniques, namely: one-to one interview, focus group discussion, observation and textual analysis helped to explore all research questions. Findings revealed that before accessing microfinance women faced problems such as food deprivation (93.1%), lack of sanitation facilities (72.4%), health deprivation (44.8%), lack of shelter (65.5%) and lack of access to education (6.9%). After getting the loan they used it in different areas including consumption (100%), education (62.1%), health insurance (72.4), investment (89.6%), debt repayment (24.1%), and sanitation facilities (37.9%). As a results, women reported that credits received contributed in reducing poverty among their households by allowing them to access food easily (100%), finding clothes (100%), adequate accommodation (72.4%), health insurance (96.5%), sanitation facilities (82.7%) and access to education (100%). However, they informed to meet several challenges such as lack of mortgage (69%), high interest rate (100%), insufficient loans (62%), fear of risks (41.5%), high taxes (24%) and diversion of funds (72.5). To deal with those challenges, they proposed solutions like working in associations (100%), recognizing rights to property (20.7%), reducing interest rates (100%), increase of trainings (24%) and business spirit (31%). It was therefore noticed that microfinance reduced poverty among women in Kageyo Sector, therefore, we recommended the central government to consider that tool while the step is being done towards SDGs by extending it to the whole community and especially dealing with challenges that hinder entrepreneurs running microfinance.

Key words: microfinance, women, poverty, reduction, hunger, loan.

1. INTRODUCTION

Different studies predicted that unless it benefits women and therefore make them active actors, the goal number one of MDGs that envisaged the eradication of extreme poverty and hunger would stay unrealized (Baha'i International Community, 2012; UN, 2012). Thus, since the basic unit of society is a woman and as women account for half of any country's talent base, empowering their participation in the workforce greatly enhances productivity and fosters economic growth, as well as promotion of women right to live in dignity and freedom from want and fear (CESO, 2012; Katie M. S, 2012, Sanjran G, 2013, UNFPA, 2014)

In fact, at the beginning of New Millennium World Leaders gathered at the United Nations to shape a broad vision to fight poverty in its many dimensions. That vision was translated into eight Millennium Development Goals (MDGs), (United Nations, 2015)

The aim of the MDGs was to encourage development by improving social and economic conditions in the world's poorest countries. They derived from earlier international development targets, and were officially established following the Millennium Summit in 2000, where all world leaders present adopted the United Nations Millennium Declaration.

To reach that purpose, women empowerment was found amongst priorities, because gender equality was observed not just a lofty aspiration anymore; it was seen the necessary link for sustainable development, this because women, on average, reinvest up to 90% of income into their households. Reducing gender inequality gives women more money to spend on food, housing and education – crucial components for reducing poverty and promoting sustainable development. Getting more women into the workforce is the cure to many economic ills and imperative to sustainable development (Gurcharn et al, 2013)

Empowerment of women and gender equality were found prerequisites for achieving political, social, economic, cultural, and environmental security among all peoples and women's economic empowerment defined as providing women with not only resources but also with the opportunities to apply resources in ways that lead to economic success (United Nations, 1995). Through better jobs, more options to start and manage viable businesses, greater access to land, education and skills development, and more opportunities to participate in decision-making, women can pull themselves out of poverty and improve their quality of life and the quality of life of their families and communities (CESO, 2012; UNFPA, 2014)

Consequently, many policies favoring and promoting women were developed including giving to women the chance to access microfinance as a way to empower them. This in accordance with Armendariz (2005) who argued that small-scale financial services improve the income of generally disadvantaged people, especially women and that microfinance institutions (MFIs) enable them to invest in small businesses as well as to pay for social services and take care of their families.

Studies revealed that microcredit is a facility that makes it possible for the focused poor people in general and women heading households in particular to get a small loan to start a business, pay for school fees, procure housing or receive health care. Such an initiative is instrumental in changing the poverty patterns in view of improved facilities to lessen the challenge posed by startup capital. Microcredit has been changing people's lives and revitalizing communities since the beginning of trade (Foley, 2006).

Yunus had already found that it was possible with this tiny amount not only to help them survive, but also to create the spark of personal initiative and enterprise necessary to pull themselves out of poverty (Grameen Bank, 2016)

Rwanda being one of the Sub-Sahara African countries that strives for promoting gender equality and empowerment of women adopted strategies to come to that end among them the increase of chance for women to access microcredit (African Development Bank Group, 2008). As consequence, in the recent times, microfinance has been emerging as a powerful instrument for empowering women particularly; the women that have little financial ability. Apart from the informal sector of finance, the formal and semi formal sectors like commercial banks, NGOs etc. are taking much interest in providing microfinance services to women in order to promote them. Women are also participating in the microfinance movement by availing the microfinance services being provided by the various financial channels. Today in Rwanda, an estimated 41 percent of businesses are run by women (Powley, 2007)

Through the available literature it is observed that most of the studies related to microfinance have been carried out worldwide and particularly in Rwanda. This study has the purpose to fill in the gap in the available literature attempting to explore the relationship between Microfinance and woman households' poverty reduction in Rwanda through the case of Kageyo Sector in Gicumbi District, challenges of women entrepreneurs running microfinance are also investigated and possible solutions to those challenges are proposed. In addition, findings will help move from MDS to SDGs delivering strategies to overcome challenges and maximization of opportunities for Rwanda.

2. METHODOLOGY

Being exploratory, this research is mainly qualitative in approach due to the assumed value of context and setting and so as to allow for deep understanding of the participants' lived experiences with regard to microfinance and women welfare. However, qualitative analysis accompanies collected quantitative information. Historic, comparative, analytic methods and techniques, namely: one-to one interview, focus group discussion, observation and textual analysis helped to explore all research questions.

This research had the following specific objectives: (1) To analyze if and how Microfinance contribute to poverty reduction among women households in Kageyo Sector, (2) To investigate Challenges of women running microfinance and (3) To propose possible solutions to challenges experienced by women running microfinance in Kageyo Sector.

Using a purposive sampling technique, this study was conducted on a sample of 29 from 32 women heading households in Kageyo Sector and running microfinance. Criteria which helped to get the respondents were (a) being a woman of Kageyo Sector heading a household, (b) accessing microcredits for at least three years and (c) willing to share the information on the effects of microfinance in poverty alleviation among women households.

3. RESULTS

This chapter consists of field data presentation and analysis. It begins with a description of the respondents and continues with the results from different answers corresponding to different items which composed the questionnaire.

3.1. Identification of respondents

This section presents age, level of education, profession of respondents.

3.1.1. Age of respondents

Categories of age for respondents are presented as follows:

Table 1: Age of respondents

Age range	Number of respondents	Percentage
21-30 years old	4	13.8
31-40 years old	15	51.7
41-50 years old	8	27.6
Above 50 years old	2	6.9
Total	**29**	**100**

Source: Field data, September 2015

According to the above table, 13.8% of respondents were in the range 21-30 years old, 51.7% of respondents were in the range 31-40 years old, 27.6% of respondents were in the range 41-50 years old and 6.9% of respondents were in the range of above 50 years old. The majority of respondents were in the range 31-40 since the corresponding percentage was 51.7%. This showed that the more people are active, the more they easily access micro-credits.

3.1.2. Educational level of respondents

Respondents under this study had various educational levels as shown in the table below:

Table 2: Educational level of respondents

Level	Number of respondents	Percentage
Primary	14	48.3
Post primary	6	20.7
A_2	4	13.8
A_1	2	6.9
A_0	3	10.3
Total	**29**	**100**

Source: Field data, September 2015

The above table shows that the respondents who had primary level comprised 48.3%, those of post primary level comprised 20.7%, those of A_2 level comprised 13.8%, those of A_1 level comprised 6.9% and those of A_0 level comprised 10.3%. The results show that the highest percentage of respondents who access micro-credits in Kageyo Sector have primary level. This reality can be explained by the fact that those women haven't any other source of capital since those with secondary and university level may have monthly salaries. During focus group discussions, these women explained it saying: "*we are not like other women who are for example public workers because they can use their monthly salaries to start businesses or survive.*"

3.1.3. Profession of respondents

Professions of respondents are shown in the following table:

Table 3: Profession of respondents

Profession	Number of respondents	Percentage
Farming	19	65.5
Commerce	7	24.1
Public work	3	10.4
Total	**29**	**100**

Source: Field data, September 2015

The above table shows that 65.5% of respondents are the farmers, and they constituted the highest percentage, 24.1% of respondents were the traders, and 10.4% of them were the public workers. It is remarkable that the farmers had the highest percentage and this can be explained by the fact that the region in which Kageyo Sector is located is favorable for farming and therefore the micro-credit that the women get is invested in farming. Another thing to notice is that the respondents comprised the public workers who access the services of microcredit. This is justified by the fact that most of the time public workers access the microcredit in order not to depend on the salary only which they sometimes say that it is not sufficient and hence micro-credits help them to increase their income. On this issue of salary, one woman said "*I think the salary of these days is cursed! Unless you look for other resources you can't survive. Most of the time the salary comes and immediately it is finished; it is unable to satisfy all needs!*"

Among reasons that push these women to be heads of households include widowhood, being abandoned by their partners, divorce. The reason behind this situation is due to the fact that when the household becomes poor, husbands use to leave their wives for others who are richer. There was a woman who reported "*When my husband left me I was so vulnerable to poverty, but today after I developed myself he is negotiating to comeback!*"

The majority (26) of women heading households in Kageyo Sector access Umurenge SACCO as the source of their microcredit, others run for UMWALIMU SACCO, specifically teachers.

3.2. Socio-economic situation before accessing microcredit

In order to determine the role of microcredit in poverty reduction of women heading households in Kageyo Sector, we made an investigation on their socio-economic situation before accessing microcredit. In this section we discuss problems they faced and daily income they used to get.

3.2.1. Problems faced before accessing microcredit

Before accessing microfinance, women reported the following problems related to poverty:

Table 4: Problems faced before accessing microcredit

Problem	Number of respondents	Percentage
Food deprivation	27/29	93.1
Deprivation of sanitation facilities	21/29	72.4
Health deprivation	13/29	44.8
Lack of shelter	19/29	65.5
Lack of access to education	2/29	6.9

Source: Primary data, September 2015

According to the above table, the socio-economic problems that women faced before they accessed microcredit include food deprivation with 93.1%, deprivation of sanitation facilities with 72.4%, health deprivation with 44.8%, lack of shelter with 65.5% and lack of access to education with 6.9%.

For the first problem "food deprivation", during focus group discussion, respondents stated that before their access to microcredit, they found the food difficultly in such a way that they even ate once a day. Others informed that they sometimes passed the whole day without eating.

For the second problem "deprivation of sanitation facilities", the respondents mentioned that they faced the problems related to sanitation and household materials such as lack of clean toilets, proper materials such as plates, pans, and cups.

About the third problem “health deprivation”, the respondents declared that the means to health services were very limited. Some others revealed the lack of means to access mutual health insurance and the lack of means of buying medicines. About this problem one woman reported

“*The life was not easy. Can you imagine how to find the fees for mutual insurance was not easy? Imagine how you can work in neighbor’s field for* 500 Rwf *do you think that with that money you can buy the meal and find the money for mutual insurance?”*

Concerning the fourth problem “lack of shelter”, some respondents reported that they lived in very small houses where they always shared the same house with the goats and the hens. Others mentioned that they lived in houses with worn roofs in such way that during the rainy season, it became very hard for them to survive.

About “lack of access to education”, the respondents reported that it was very difficult for their children to access the education because they had no basic equipment such uniforms, notebooks, pens etc. About education, one woman reported “*Do you know, I didn’t even think that my children could study. How can you think about their studies when they don’t even have what to eat?*” The above results highlight that women heading households in Kageyo Sector faced serious problems before accessing microcredit.

3.2.2. Daily income before access to microcredit

Daily income of women heading households in Kageyo Sector before their access to microfinance was as follows:

Table 5: Daily income before access to microcredit

Income	Number of respondents	Percentage
500 Rwf and below	12	41.4
Between 500 Rwf -1000	8	27.6
Between 1000 Rwf -5000	7	24.1
Above 5000 Rwf	**2**	6.9
Total	**29**	**100**

Source: Primary data, September 2015

According to the table above, 41.4% of the respondents had the daily income of 500 Rwf and below, 27.6% of the respondents had the income between 500 and 1000 Rwf, 24.1% of the respondents had the income between 1000 and 5000 Rwf and only 6.9% of respondents had the income greater than 5000 Rwf. From the above results it is remarked that there was severe poverty in women heading households in Kageyo Sector since the highest percentage is in people with income below 500 Rwf per day. After asking them how they could survive that situation, one woman reported *“how can you ask me how I survived, don’t you understand? It is very easy to calculate: to work for 500* Rwf *and from this amount to buy food and other family issues. Nobody can imagine this kind of life!!”*

Another woman said “*I used to rely only on my salary but in three days it expired. It was very difficult to wait that the other month ends.”*

3.3. Loans granted from 2013 to August 2015

The amount granted to respondents from 2013-2015 are presented below:

Table 6: Loans granted from 2013 to August 2015

Year	Range of amount	Number of respondents	Percentage
2013	Below 50,000 Rwf	13	44.8
	50,000- 100,000 Rwf	6	20.7
	100,000- 500,000 Rwf	10	34.5
	Above 500,000 Rwf	0	0
	Total	**29**	**100**
2014	Below 50,000 Rwf	9	31.0
	50,000- 100,000 Rwf	14	48.3
	100,000- 500,000 Rwf	5	17.2
	Above 500,000 Rwf	1	3.5
	Total	**29**	**100**
2015	Below 50,000 Rwf	3	10.3
	50,000- 100,000 Rwf	10	34.5
	100,000- 500,000 Rwf	12	41.4
	Above 500,000 Rwf	4	13.8
	Total	**29**	**100**

Source: Field data, September 2015

According to the above table, in the year 2013, the majority of women heading households in Kageyo Sector were granted the loan below 50,000 Rwf. In the same year there were no women who received the loan above 500,000 Rwf. In the year 2014, the majority of women were given loans between 50,000- 100,000 Rwf and this show an improvement since there was one who was granted the loan above 500,000 Rwf. In the years 2015 the majority of women were granted the loans between 100,000-500,000 Rwf and there were four women who were granted loans above 500,000 Rwf.

3.4. Use of microcredit

It is evident that microloans that women get from various institutions are not used in the same ways. The views of respondents on this issue are presented in the following table:

Table 7: Use of microcredit

Use of loan	Number of respondents	Percentage
Consumption	29/29	100
Education of children	18/29	62.1
Health insurance	21/29	72.4
Investment	29/29	100
Debt repayment	7/29	24.1
Sanitation facilities	11/29	37.9

Source: Field data, September 2015

The above table shows that the loans granted is used differently as follows: Consumption (100%), education (62.1%), health insurance (72.4), investment (89.6%), debt repayment (24.1%), and sanitation facilities (37.9%). What can be noticed from the above table is that more respondents mentioned consumption as the main use of microcredit, especially they profit. Women reported that this highest percentage is attributed to the fact that consumption (eating and drinking) is the primary need for human being.

For education of children, as statistics are shown above, the respondents declared that due to microcredit they took from microfinance institutions they became able to enroll their children in schools since they had got the means of buying school materials. About education, SEZIBERA Dionysie, a widowed woman who became able to educate her three children stated "*I accessed UMURENGE SACCO since the year 2012. Before that time, I was in terrible situation where I could not even buy a pen for my children. My eldest daughter is in senior five. When she started secondary, the school fees were paid by Global Fund until she finished Ordinary level; but today it is me who pay. The source of income is the goats that I grow and the milk from my cows. Today these two children who are with* *us are in primary: the son is studying in P5 and the daughter is in P3. I don't have any problem with their education and I hope that their secondary education will be easy for me.*"

About investment, the respondents revealed that microcredit allowed them to invest in many activities and therefore their capitals have been increased: the main activities mentioned here were agriculture, small trade and livestock.

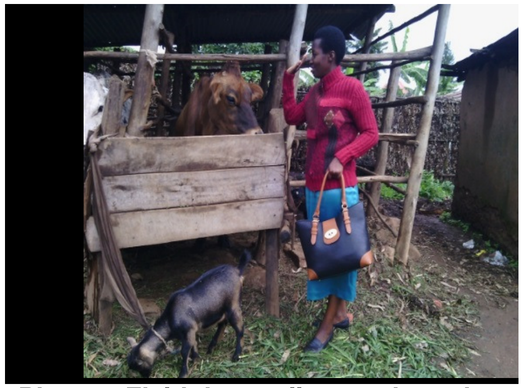

Photo1: Field data collector observing NYIRAMBONEKA Laurence income generating activities
Source: Primary data, September 2015

NYIRAMBONEKA Laurence on her activities stated: "*I access microcredit from UMWALIMU SACCO and UMURENGE SACCO. With my microcredit, I invest in growing cows and goats, and cultivating potatoes. Due to those investments, I have become able to pay school fees for my children who study in secondary school. I have been able to access clean water."*

SEZIBERA Dionysie stated *"I am a widowed woman accessing UMURENGE SACCO. I started with investment in growing chickens and I failed. Today I am growing goats and cows. My cow produces 20 liters of milk per day. I sell the milk and I can earn 50 thousand Rwandan francs per month."*

About sanitation facilities, the respondents mentioned that with the microcredit, they got facilities for sanitation: they bought proper kitchen materials, they built proper toilets and they got mattress on their beds.

In the interview, our key informant reported that with their microcredit, women heading households use to invest in agriculture (Beans, potatoes), livestock (cows and pigs) and in retail trade especially in shoes.

3.5. Daily income after access to microcredit

The views of respondents are shown in the table below:

Table 8: Daily income after access to microcredit

Income	**Number of respondents**	**Percentage**
500 Rwf and below	0	0
Between 500-1000Rwf	3	10.3
Between 1000- 5000 Rwf	17	58.7
Above 5000 Rwf	9	31.0
Total	**29**	**100**

Source: Field data, September 2015

According to the table above, it is seen that there were no respondents with daily income below RWF: 500, those with daily income between 500 and 1000 Rwf were 10.3%, those with daily income between 1000 and 5000 Rwf were 58.7% and those with daily income above 5000 Rwf were 31%. Compared to the results that were presented in Table 10, it is observed that there has been a considerable increase in daily income for women heading households. Another thing to notice here is that before there were only two women (6.8%) with daily income above 5000Rwf ; but after the access to microcredit, there are 9 (31.0%) women who have the income greater than 5000 Rwf. This can be the evidence of poverty reduction due to access to microcredit.

3.6. Contribution of microcredit in poverty reduction

The second objective of this study was to find out if microcredit contributed to poverty reduction among women heading households in Kageyo Sector. This may be viewed through the following indicators below:

Table 9: Areas of poverty reduction among women heading households in Kageyo Sector

Indicator	Number of respondents	Percentage
Finding food easily	29/29	100
Finding the clothes easily	29/29	100
Adequate accommodation	21/29	72.4
Health insurance	28/29	96.5
Sanitation facilities	24/29	82.7
Access to education	29/29	100

Source: Primary data, September 2015

The second objective of this study was to find out if microcredit contributed to poverty reduction among women heading households in Kageyo Sector, the above table shows that microcredit helped women to find food easily (100%), to find clothes easily (100%), access adequate accommodation (72.4%), health insurance (96.5%), sanitation facilities (82.7%) and access to education for their children (100%).

For the first indicator “finding food easily”, the respondents mentioned that due to their access to microcredit, they became able to find food easily in such a way that today they eat twice a day while before their access they ate once a day. The same explanation was given for the second indicator “finding clothes easily” where they reported that today their children wear clean clothes and they can exchange three clothes per week while before accessing microcredit they used to wear only one clothe per week.

For the third indicator “adequate accommodation”, they mentioned that today they live in clean houses built in bricks with roofs made of tiles or metal sheets while before their access to microcredit they used to live in houses made of trees. The following photo is for SEZIBERA Dionysie who has been able to have a modern house.

Photo2: SEZIBERA Dionysie with her modern house
SEZIBERA Dionysie running microfinance with field data collectors (the second from left)
Source: Primary data, September 2015

SEZIBERA Dionysie has become able to build a modern house. She reported the following:

"*Ntari najya muri SACCO nari ntuye mu nzu y'ibiti isakaje amategura. Ariko iyo itumba ryageraga nabaga mpangayitse cyane kubera ko iyo nzu yavaga cyane. Yewe Imana yazanye SACCO yarakoze cyane!"*

For the fourth indicator, "health insurance" the respondents mentioned that with their access to microcredit, they became able to find the money for health insurance and they added that it is no longer difficult for them to buy medicines that can be prescribed by a Doctor.

For the fifth indicator, "sanitation facilities", the respondents mentioned that today they have cleaned toilets even though they are not made of bricks and cement, but they are made of trees, they are covered and they are deep. They added that they have clean kitchen materials, and that they sleep on clean beds with mattresses. The following photo is for NYIRAMBONEKA Laurence's who became able to have clean water, before they obtain water from flowing rivers, from public taps in the valley.

For the last indicator "access to education", one respondent mentioned *"Today my children access schools and they no longer go to transport luggage for earning money or do domestic works for rich people."*

In the interview, on the question "do micro-credits reduce poverty among women headed households in Kageyo Sector?" the key informant reported that microcredit contributes greatly in poverty reduction of women headed households, saying: *"If you compare living conditions of those who access microcredit and those who do not, you see that there is a big difference. Even in their testimonials, those who access microcredit reveal that they have been able to build comfortable modern houses with beds; they have been able to procure complete daily meal; they have been able pay school fees of their children and health insurance fees."*

3.7. Challenges faced by women running microfinance

The identification of challenges faced by women accessing microfinance was the second specific objective. The respondents presented different challenges that are viewed in the following table:

Table10: Challenges faced by women accessing microfinance

Challenge	Number of respondents	Percentage
Lack of mortgage	20/29	69
Lack of their husbands' support	15/29	52
High interest rate	29/29	100
Insufficient loans	18/29	62
Fear of risks	12/29	41.5
High taxes	7/29	24
Diversion of funds	21/29	72.5

Source: Field data, October 2015

Even though women heading households reported to have improved their life through microfinance they received, they informed that they have some hindrances in accessing microfinance such as lack of mortgage (69%), lack of their husbands' support (52%), high interest rate (100%), insufficient loans (62%), fear of risks (41.5%), high taxes (24%) and diversion of funds (72.5). The explanations provided to each of those challenges are as follows:

About the first challenge "lack of mortgage", some respondents reported that microfinance institutions request the mortgages that are equivalent to the wanted amount or the value of the mortgage which is higher than the wanted amount, in this case, the mortgage becomes a problem.

About the second challenge "lack of husbands 'support", 48.9% of the respondents reported that on one side their husbands do not agree to guarantee some household assets such as houses, terrains and this hinders their loan grant and do not accept that women are able to create businesses and they often discourage them. One of the respondents reported that once a day her husband told her: "*Since long ago, no woman was successful in doing business; the role of women is just educating children and doing other various domestic functions.*

About the challenge of "high interest rate" and "insufficient loans", the respondents reported that many microfinance institutions charge high interest rate on the loans. This reduces the amount to be granted and then reduces the capital to be used to do their investments.

About "fear of risks", 40.4% of the respondents reported that they fear to invest in many activities or to expand their business activities due to the fact that they think about the risks they may encounter including losses .

Some added that this problem is associated with the discouragement from their husbands and it affects their working capital, which in turn affects their generated income.

About "high taxes", 23.4% of the respondents especially the traders reported that a high tax is still a big problem which hinders their trade, as it may sometimes cover almost all the interests provided by their activities.

About the seventh challenge "diversion of funds", 70.2% of the respondents reported that the incomes generated by their activities are diversified in solving many problems that are even not predicted. They added that this prevents their businesses from being expended.

One respondent said "*The time I started getting credit from SACCO I once bollowed Frws 150,000 with the intention to invest it in cultivation of potatoes. But because I had no skills of business management, 1/3 of money (Frws 50,000) was used in solving school fees of children and paying health insurance of my family. I will never forget a loss I experienced those days. However today, I know how to do it.*

3.8. Proposed solutions to those challenges

To the above challenges, solutions proposed by the respondents are summarized as following:

Table 11: Proposed solutions

Solution	Number of respondents	Percentage
Working in associations	29/29	100
Recognizing rights to property	6/29	20.7
Reducing interest rates	29/29	100
Increase of trainings	7/29	24
Developing business spirit	9/29	31

Source: Field data, October 2015

From the table 17, the solutions proposed by the respondents are working in associations (100%), recognizing rights to property (20.7%), reducing interest rates (100%), increase of trainings (24%) and developing business spirit (31%).

About "working in associations", respondents pointed out that working in associations will allow them to group their physical force and their financial resources together so that their businesses become expanded and then their income increases. On this issue of unifying their forces one woman said "a*bishyize hamwe nta kibananira."- nothing is impossible to united people.*

About "recognizing rights to property", the respondents reported that women have to recognize that they have rights to property and therefore their husbands have to know that their women have the right of guaranteeing one of the properties of the household in the financial institution in the purpose of getting loans.

About "reducing interest rates", the respondents reported that high interests hinder their working capital which in turn affects the income generated by their activities. Hence, microfinance institutions should revise their regulations about interest rates and adapt them to all categories of clients.

About "increase of trainings" and "business spirit", the respondents reported that training on businesses should be increased on the side of microfinance institutions and on the side of local government. This will allow the women to get enough skills on business management. The respondents reported also that women should have business spirit which will help in management of their business. This spirit will be gotten from the trainings they receive and it could allow them to avoid diversion of funds and external dependency.

4. DISCUSSION OF FINDINGS

This research was conducted on the role of micro-credits in the poverty reduction among women households with the case of Kageyo Sector.

Findings showed that the loans granted were used in different activities such as consumption (100%), education of children (62.1%), health insurance (72.4), investment (89.6%), debt repayment (24.1%), and sanitation facilities (37.9%).

This research revealed also that women heading households in Kageyo Sector who access microcredits became able to alleviate their poverty and the indicators are the following: finding food easily (100%), finding clothes easily (100%), adequate accommodation (72.4%), health insurance (96.5%), sanitation facilities (82.7%) and access to education (100%).

This was in agreement with host of studies suggesting that putting earnings in women's hands is the intelligent thing to do to speed up development and the process of overcoming poverty. For example, findings of the studies conducted in china, Ghana, Brazil, Kenya and elsewhere (IFAD, 2000) showed that access to microcredits lead women to productive resources such as land, water and financial capital with a ripple effect.

In Ghana, MkNelly and Dunford (1998) found that participants experience an increase in monthly nonfarm income of $36, compared to $17 for the control group. Pitt and Khandker (1998) found that program credit has a larger effect on the behavior of poor household in Bangladesh when women are the program participants. They also found that annual household consumption expenditure increases $0.22 for every additional $1.22 borrowed by women from credit programs, compared with $0.13 for man.

However, this research revealed that women running microfinance finance have a number of challenges including lack of mortgage (69%), lack of their husbands' support (52%), high interest rate (100%), insufficient loans (62%), fear of risks (41.5%), high taxes (24%) and diversion of funds (72.5). What these women testified as challenges are in line with challenges reported by women running microfinance in Tanzania such as dealing with high and multiple taxes, complex tax compliance procedures and access to finance, limited access to support services, including credit, technical and management training, advise and marketing, limited organization and management capacity among women's advocacy organizations, lack of support from husbands (Nelson et al, 2011; Zoë Oxaal et al, 1997) , and lack of collateral in line with the study conducted In Zimbabwe on urban women running microfinance (Gwendoline, 2011) even though in Tanzania they reported additional challenges such as such as poor infrastructure, including during the rainy seasons when women micro entrepreneurs had little protection from rain or choking sun during hot seasons and corruption(Nelson et al, 2011) , while it was found that in Matlab women involved with credit-base income-generating activities are more likely to be victims of violence (Ahmed et al., 2001).

5. CONCLUSION AND RECOMMENDATION

This study has revealed that microfinance has contributed to poverty alleviation among women heading households in Kageyo sector allowing them access to adequate accommodation, to find food easily, to find clothes easily, and access to education for children etc. but with numerous challenges such as lack of mortgage lack of their husbands' support, high interest rate, insufficient loans, and diversion of funds. Working in associations, recognizing rights to property, reducing interest rates, increase of trainings, and to develop the business spirit were proposed as strategies towards those challenges.

While moving from the MDGs to SDGs, we hope that the identification of the contribution of microfinance in reducing poverty among women in Rwanda especially in Kageyo Sector will help central government, stakeholders and the large business community to devise specific policies and strategies for poverty alleviation among the population especially minimizing the challenges of women owned businesses, which may enable Rwandan women entrepreneurs to operate viable and sustainable businesses.

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