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Factors Affecting Women's Economic Empowerment in Mbeya Urban, Tanzania

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Abstract: This study examined the factors affecting women's economic empowerment in Mbeya Urban, Tanzania. Specifically, the study analysed the influence of access to financial services, education and entrepreneurial skills, and access to productive resources on women's economic empowerment. A quantitative cross-sectional research design was adopted, and data were collected from 100 women engaged in small and medium economic activities using structured questionnaires. Data were analysed using descriptive. The findings reveal that access to financial services significantly enhances women's ability to start and expand businesses, while education and entrepreneurial skills improve business management and decision-making. In addition, access to productive resources such as capital, land, and markets was found to have a strong positive influence on women's economic empowerment. The study concludes that women's economic empowerment is multidimensional and depends on the integration of financial, human, and material resources. The study recommends improving access to affordable credit, expanding entrepreneurship training programs, and strengthening women's access to productive resources to enhance sustainable economic empowerment in Tanzania.

Keywords: *Women's Economic Empowerment, Financial Services, Entrepreneurial Skills, Productive Resources, Tanzania.*

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I. INTRODUCTION

Women's economic empowerment has become a major priority in the global development agenda because it contributes to poverty reduction, inclusive economic growth, gender equality, and sustainable development. Women's economic empowerment refers to the process through which women gain equal access to economic resources, employment opportunities, productive assets, financial services, and decision-making power, enabling them to improve their livelihoods and contribute to household and national development (Kabeer, 1999; UN Women, 2020). Economically empowered women are more likely to invest in their families' health, education, and well-being while contributing significantly to economic productivity and social development (UN Women, 2020).

Despite considerable progress in promoting gender equality, women continue to experience significant barriers to economic participation across the world. Limited access to financial services, education, productive resources, markets, technology, and decent employment opportunities constrains women's ability to establish businesses, generate income, accumulate assets, and participate effectively in economic decision-making (OECD, 2022). These challenges have led governments and international organizations to recognize women's economic empowerment as a critical strategy for achieving the Sustainable Development Goals (SDGs), particularly SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth).

In Tanzania, women make substantial contributions to the country's economy through agriculture, trade, manufacturing, and service sectors. However, many women remain concentrated in informal and low-income economic activities characterized by limited access to formal financial services, productive resources, and business development opportunities. Although the Government of Tanzania has introduced various policies and programmes aimed at promoting women's entrepreneurship and financial inclusion, gender disparities in access to land ownership, capital, education, and economic opportunities continue to limit women's economic empowerment (OECD, 2022).

Mbeya City is among Tanzania's rapidly growing commercial centres, where women actively participate in micro, small, and medium-sized enterprises, agricultural value chains, retail trade, and service provision. These activities contribute significantly to household incomes and local economic development. Nevertheless, many women entrepreneurs continue to face challenges related to inadequate access to finance, limited entrepreneurial skills, and restricted access to productive resources, which may constrain business growth and economic independence. Understanding how these factors influence women's economic empowerment is essential for designing effective

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policies and interventions that promote inclusive and sustainable economic development in Mbeya Urban.

Therefore, this study aims to assess the factors affecting women's economic empowerment in Mbeya Urban by examining the influence of access to financial services, education and entrepreneurial skills, and access to productive resources. The findings are expected to contribute to policy formulation and provide practical recommendations for government institutions, financial service providers, development partners, and other stakeholders seeking to strengthen women's economic participation and improve their socioeconomic well-being.

- *Statement of the Problem*

Despite global and national efforts to promote women's economic empowerment, significant gender disparities in access to economic opportunities continue to persist, particularly in developing countries. Evidence shows that women remain disproportionately represented in low-income, informal, and vulnerable employment, with limited access to financial services, productive resources, and entrepreneurial opportunities (World Bank, 2024; UN Women, 2023). These constraints reduce women's ability to accumulate assets, expand businesses, and achieve sustainable economic independence, thereby limiting their contribution to inclusive economic growth.

In Tanzania, several studies confirm that women's economic empowerment is still constrained by structural and institutional barriers. Research shows that access to microfinance and savings services plays an important role in improving women's business performance and income generation, yet many women still face difficulties in accessing affordable credit due to lack of collateral and financial literacy (Kimaro, 2023; Mbunda, 2023). In addition, local government empowerment funds and microfinance programs have been reported to improve women's livelihoods, but challenges such as delays in loan disbursement, inadequate training, and weak supervision continue to limit their effectiveness (Ngoyo, Lubuva, & Lupala, 2023). Similarly, studies in Dodoma and Arusha indicate that financial inclusion and entrepreneurship support significantly influence women's empowerment outcomes, although many women remain economically vulnerable due to limited skills and resources (Mambosho & Chole, 2023; Nzilano & Magoti, 2025).

Empirical evidence from different regions of Tanzania further shows that women entrepreneurs face persistent challenges in managing and sustaining their businesses. For example, studies conducted in Mbeya City reveal that women entrepreneurs struggle with lack of capital, limited access to markets, and inadequate business management skills, which hinder the growth of their enterprises (Kikula, 2018). Likewise, research in Temeke Municipality highlights that savings and credit cooperatives (SACCOS) contribute to women's empowerment, but many women still lack adequate financial literacy and control over economic resources (Mbunda, 2023). These findings suggest that although empowerment initiatives exist, their impact remains uneven and context-dependent

In Mbeya Urban specifically, women actively participate in agriculture, petty trade, food vending, and small-scale enterprises, contributing significantly to household income and local economic development. However, despite their participation, many women continue to experience limited access to financial services, insufficient entrepreneurial and business skills, and restricted access to productive resources such as land, capital, and markets. While previous studies in Tanzania have examined women's economic empowerment, most have focused on individual factors such as microfinance or entrepreneurship training separately, rather than assessing the combined effect of financial access, education and entrepreneurial skills, and access to productive resources on women's economic empowerment.

Therefore, the problem addressed in this study is that despite various empowerment initiatives and the active participation of women in economic activities in Mbeya Urban, their level of economic empowerment remains constrained due to limited access to key enabling factors. In addition, there is insufficient localized empirical evidence that jointly examines how access to financial services, education and entrepreneurial skills, and access to productive resources influence women's economic empowerment in Mbeya Urban. This evidence gap limits the ability of policymakers, development partners, and financial institutions to design effective, context-specific interventions. This study therefore seeks to fill this gap by assessing the factors affecting women's economic empowerment in Mbeya Urban, Tanzania.

- *Research Objectives*

- To examine the effect of access to financial services on women's economic empowerment in Mbeya Urban.
- To assess the influence of education and entrepreneurial skills on women's economic empowerment in Mbeya Urban.
- To determine the effect of access to productive resources on women's economic empowerment in Mbeya Urban.

- *Scope of the Study*

This study focuses on assessing the factors affecting women's economic empowerment in Mbeya Urban, Mbeya City, Tanzania. Specifically, it examines three variables: access to financial services, education and entrepreneurial skills, and access to productive resources in relation to women's economic empowerment.

Geographically, the study is limited to Mbeya Urban where women are actively engaged in small and medium economic activities. The study considers the current situation at the time of data collection and does not extensively cover historical trends. Therefore, the findings are context-specific to Mbeya Urban but may provide insights applicable to similar urban settings.

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II. LITERATURE REVIEW

➢ *Theoretical Review*

This study is guided by relevant theories that explain the relationship between access to resources, skills, and economic empowerment of women. The main theories used include Kabeer's Empowerment Theory and Human Capital Theory.

➢ *Kabeer's Empowerment Theory*

This study is guided by Kabeer's Empowerment Theory, which conceptualizes empowerment as the process through which individuals gain the ability to make strategic life choices in contexts where this ability was previously denied. According to Kabeer (1999), empowerment consists of three interrelated dimensions: resources, agency, and achievements. Resources refer to material, human, and social assets that enhance the ability to make choices. Agency refers to the ability to define goals and act upon them, while achievements refer to the outcomes of these choices.

In the context of this study, access to financial services and productive resources represents key "resources" that enable women to engage in economic activities. Education and entrepreneurial skills enhance women's "agency" by improving their decision-making capacity and business management abilities. Women's economic empowerment, measured through income, asset ownership, and business growth, represents "achievements." Therefore, Kabeer's framework is relevant for explaining how structural and individual factors influence women's economic empowerment in Mbeya Urban.

➢ *Human Capital Theory*

Human Capital Theory, developed by Becker (1964), argues that investment in education, skills, and training increases an individual's productivity and economic value. According to this theory, individuals with higher levels of education and skills are more likely to obtain better employment opportunities, higher incomes, and improved economic outcomes.

In relation to this study, education and entrepreneurial skills are considered forms of human capital that enhance women's ability to participate effectively in economic activities. Women with better education and business skills are more likely to manage successful enterprises, access financial services, and utilize productive resources efficiently. Therefore, Human Capital Theory supports the argument that improving women's education and entrepreneurial capacity contributes significantly to their economic empowerment.

➢ *Relevance of the Theories to the Study*

The combination of Kabeer's Empowerment Theory and Human Capital Theory provides a comprehensive framework for understanding women's economic empowerment. While Kabeer's theory emphasizes structural access and agency, Human Capital Theory focuses on skills and productivity. Together, these theories explain how access to financial services, education, entrepreneurial skills, and productive resources interact to influence women's economic empowerment in Mbeya Urban, Tanzania.

➢ *Empirical Literature Review*

This section presents a simple review of studies related to women's economic empowerment based on the study objectives: access to financial services, education and entrepreneurial skills, and access to productive resources.

- *Access to Financial Services and Women's Economic Empowerment*

Studies show that access to financial services improves women's economic empowerment by enabling them to start and expand businesses. In Tanzania, research indicates that women who access microfinance services and savings groups experience improved income levels and business growth (Mbunda, 2023; Kimaro, 2023). However, challenges such as lack of collateral and limited financial literacy still reduce the effectiveness of financial services.

- *Education and Entrepreneurial Skills on Women's Economic Empowerment*

Education and entrepreneurial skills are important in improving women's ability to manage businesses and make economic decisions. Studies in Tanzania show that women with business training and education perform better in entrepreneurship compared to those without such skills (Kikula, 2018). Lack of training and business knowledge continues to limit women's business growth in many areas.

- *Access to Productive Resources and Women's Economic Empowerment*

Access to productive resources such as capital, land, and markets is important for women's economic empowerment. Studies show that women who lack access to these resources face difficulties in expanding their businesses and improving productivity (World Bank, 2024). In Tanzania, limited ownership of assets continues to restrict women's economic opportunities.

➢ *Research Gap*

Studies in Tanzania show that women's economic empowerment is influenced by access to financial services, education and entrepreneurial skills, and access to productive resources (Mbunda, 2023; Kimaro, 2023; World Bank, 2024). However, most studies have examined these factors separately, especially focusing on microfinance or training alone (Kikula, 2018; Kasoga, 2020).

In addition, limited studies have been conducted in Mbeya Urban, creating a contextual gap in understanding women's economic empowerment in this area. Therefore, there is limited evidence on how these three factors jointly influence women's economic empowerment in Mbeya Urban, Tanzania.

III. RESEARCH METHODOLOGY

This study adopted qualitative research approach using a cross-sectional research design. The study was conducted

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in Mbeya Urban, Mbeya City, Tanzania, targeting women engaged in small and medium economic activities.

The target population included women entrepreneurs and business operators within the study area. A sample was selected using appropriate sampling techniques, and data were collected through structured questionnaires. The study used a sample of 100 women respondents engaged in small and medium economic activities in Mbeya Urban. The sample size was considered adequate to provide reliable information for analysis while remaining manageable within the study resources and time.

Data were analyzed using descriptive statistics, to examine the relationship between access to financial services, education and entrepreneurial skills, access to productive resources, and women's economic empowerment.

Ethical considerations such as informed consent, confidentiality, and voluntary participation were strictly observed throughout the study.

IV. FINDS AND DISCUSSION

➤ *Access to Financial Services and Women's Economic Empowerment*

The findings suggest that access to financial services plays a significant role in enhancing women's economic empowerment in Mbeya Urban. Most women reported that participation in microfinance institutions, savings groups, and SACCOs enabled them to start small businesses, increase working capital, and improve household income stability. Financial access was also associated with increased confidence in managing business activities and making financial decisions.

However, the findings also indicate persistent challenges, including high interest rates, limited loan sizes, strict repayment conditions, and lack of collateral. These constraints reduce the ability of women to fully benefit from financial services, particularly those operating small and informal businesses. These findings are consistent with Mbunda (2023) and Kimaro (2023), who found that financial inclusion significantly improves women's income-generating activities in Tanzania. Similarly, Abbakar and Kilamlya (2024) argue that microfinance services enhance women's participation in small enterprises, although structural barriers limit full empowerment. The results also align with the World Bank (2024), which reports that financial exclusion remains a key barrier to women's economic advancement globally.

Table 1 Access to Financial Services and Women's Economic Empowerment

Statement	Mean	Std. Dev.	Interpretation
Access to credit helps me start a business	3.82	0.79	High
Savings groups improve my income	3.76	0.81	High
Microfinance supports business growth	3.70	0.84	High
Financial services improve decision making	3.74	0.78	High

The findings from Table 1 show that access to financial services has a strong positive influence on women's economic empowerment in Mbeya Urban. All indicators recorded mean values above 3.70, indicating that respondents generally agree that financial services such as credit, savings groups, and microfinance institutions support business start-up and expansion.

This suggests that financial inclusion plays a key role in improving women's access to capital, which enhances income generation and decision-making capacity. However, the relatively moderate standard deviations indicate that experiences vary among women, likely due to differences in loan access, repayment conditions, and financial literacy levels.

➤ *Education and Entrepreneurial Skills*

The study findings reveal that education and entrepreneurial skills are crucial determinants of women's economic empowerment. Women with higher levels of education and business training demonstrated better financial management, record keeping, customer handling, and business expansion strategies compared to those with limited education. The findings further indicate that lack of access to entrepreneurship training programs remains a major challenge. Many women rely on informal business knowledge, which limits innovation and long-term business sustainability.

These findings support Human Capital Theory (Becker, 1964), which emphasizes that investment in education and skills improves productivity and economic outcomes. They also align with Kikula (2018), who found that women entrepreneurs in Mbeya City face challenges related to inadequate business skills and limited training opportunities. Similarly, Mambosho and Chole (2023) found that entrepreneurship training significantly improves women's business performance in Tanzania.

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Table 2 Education and Entrepreneurial Skills

Statement	Mean	Std. Dev.	Interpretation
Education improves my business performance	3.68	0.77	Moderate–High
Training improves financial management	3.72	0.75	High
Entrepreneurial skills support business growth	3.66	0.80	Moderate–High
Lack of skills limits business success	3.71	0.83	High

Table 2 reveals that education and entrepreneurial skills are important determinants of women's economic empowerment. The mean values ranging from 3.66 to 3.72 indicate that most respondents agree that education and training improve business performance and financial management.

However, the results also suggest that lack of training opportunities still limits some women's ability to grow their businesses. This implies that while skills are available to some extent, access to structured entrepreneurship programs remains inadequate in Mbeya Urban.

➢ *Access to Productive Resources*

The findings show that access to productive resources such as capital, business assets, markets, and equipment has a strong influence on women's economic empowerment. Women with better access to resources were more likely to expand their businesses, increase profits, and hire additional labor.

However, the study also found that many women lack ownership of key productive assets such as land and business premises, which limits their ability to access formal credit and scale up their enterprises. These findings are consistent with OECD (2022), which highlights that unequal access to productive resources remains a major constraint to women's economic empowerment. The results also align with Mbunda (2023), who found that lack of asset ownership limits women's ability to grow their businesses in Tanzania.

Table 3 Access to Productive Resources

Statement	Mean	Std. Dev.	Interpretation
Access to capital improves my business	3.85	0.76	High
Ownership of assets improves loan access	3.60	0.82	Moderate–High
Access to markets supports business growth	3.73	0.79	High
Lack of resources limits expansion	3.77	0.80	High

The findings in Table 3 indicate that access to productive resources such as capital, markets, and assets significantly influences women's economic empowerment. High mean scores (above 3.60) suggest that women strongly believe that access to resources improves business performance and expansion.

However, challenges such as limited ownership of assets (especially land and business premises) continue to restrict women's access to formal credit and business growth opportunities. This indicates persistent structural barriers in resource distribution.

V. CONCLUSION

The study concludes that women's economic empowerment in Mbeya Urban is influenced by three main factors: access to financial services, education and entrepreneurial skills, and access to productive resources. Financial services such as microcredit and savings groups play an important role in supporting women to start and expand businesses, although challenges such as high interest rates and limited loan access still exist.

The study also concludes that education and entrepreneurial skills significantly improve women's ability to manage businesses, make financial decisions, and increase income. However, limited access to training opportunities reduces the effectiveness of this factor. In addition, access to productive resources such as capital, business assets, and markets is a key determinant of women's economic empowerment. Many women still face constraints in accessing and controlling these resources, which limits business growth and sustainability.

RECOMMENDATIONS

➢ *Based on the Findings, the Study Recommends the Following:*

- The government and financial institutions should improve access to affordable credit for women by reducing interest rates, simplifying loan procedures, and increasing loan accessibility for small-scale women entrepreneurs.
- Entrepreneurship and business training programs should be strengthened to enhance women's skills in financial management, marketing, and business planning, which are essential for sustainable business growth.
- Policies and programs should be enhanced to improve women's access to productive resources such as land, capital, and business infrastructure to support business expansion and productivity.
- Local government authorities, NGOs, and development partners should collaborate to expand women empowerment programs, including financial literacy training and mentorship initiatives.

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- Women entrepreneurs should be encouraged to participate in savings groups (SACCOS and VICOBA) to improve financial stability and access to capital.

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