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An Evaluation of the Role of Loans in Promoting Women's Entrepreneurship: A Survey of Selected Women Entrepreneurs in Nyendo–Senyange Division, Masaka Municipality

The objective of this study was to evaluate the role microfinance loans play in developing women's entrepreneurial capacity. The reason for undertaking the study was to find out why, in spite of the existence of numerous microfinance institutions that dispense micro loans, women's entrepreneurial capacities were still dismal. The study involved the principle of purposive sampling among women who had borrowed loans from microfinance institutions as well as loans officers in the respective institutions. The study was guided by research objectives, and the questionnaire method was applied in data collection. Tables, frequencies, percentages, bar graphs and pie charts were used in data analysis. The findings indicated that Women's groups are a foundation on which to build capacity for their entrepreneurship and the challenge of having to recover defaulters' loans are an opportunity that ensures the women are vigilant and responsible borrowers. Microfinance institutions are commercial entities that are not concerned about women's entrepreneurship and thus they have not instituted any measures to enhance entrepreneurial capacity among women. High interest rates and unsustainable conditionalities stand in the way of women's entrepreneurial advancement. In recommendation, microfinance institutions should design novel products including asset financing, agricultural loans and training in business management skills as they encourage women's groups to build their entrepreneurial capacity. Microfinance institutions should discourage financing retail trade and instead encourage their women clients to venture into novel businesses where competition is not so stiff. Microfinance institutions ought to ease lending conditions by scrapping spousal consent, signing land transfer forms and demand for handling costs. The Ministry of Gender needs to carry out regular surveys to monitor the implementation of policies in support of gender mainstreaming and advocate for the enactment of the Domestic Relations Bill.

Key words: Loans, Women, Entrepreneur, Entrepreneurship